

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 22

HOUSE BILL 2615

AN ACT

AMENDING SECTIONS 35-726, 35-728, 35-729, 35-913, 41-885, 41-1505, 41-1505.11, 41-1512 AND 41-1518, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTIONS 41-1505, 41-1505.11, 41-1512 AND 41-1518, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3011.01; AMENDING TITLE 41, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 37; AMENDING SECTION 41-3907, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 37, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 2; AMENDING SECTIONS 44-313 AND 44-314, ARIZONA REVISED STATUTES; AMENDING LAWS 1999, CHAPTER 262, SECTION 23, AS AMENDED BY LAWS 2000, CHAPTER 207, SECTION 1; RELATING TO HOUSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-726, Arizona Revised Statutes, is amended to
3 read:

4 35-726. Approval of general plan before issuing bonds; fee;
5 definition

6 A. Bonds shall not be issued by a corporation for the purpose of
7 financing single family dwelling units pursuant to section 35-706, subsection
8 A, paragraph 11 or 12 without approval of a general plan by its governing
9 body. The corporation shall submit a general plan for each respective series
10 of bonds to its governing body. The general plan shall briefly describe:

- 11 1. The amount of the proposed bonds.
- 12 2. The maximum term of the bonds.
- 13 3. The maximum interest rate on the bonds.
- 14 4. The need for the bond issue.
- 15 5. The terms and conditions for originating or purchasing mortgage
16 loans or making loans to lenders.
- 17 6. The area in which the single family dwelling units to be financed
18 may be located.

19 7. The proposed fees, charges and expenditures to be paid for
20 originators, servicers, trustees, custodians, mortgage administrators and
21 others.

22 8. All insurance requirements with respect to mortgage loans,
23 mortgaged property, mortgagors, originators, servicers and trustees.

24 9. The anticipated date of issuance of the bonds.

25 B. The governing body shall review general plans submitted by
26 corporations pursuant to subsection A of this section. In reviewing the
27 plans the governing body shall consider:

28 1. Whether the amount of the mortgage money MONIES proposed to be made
29 available is reasonably related to the demand for the mortgage monies.

30 2. Whether the terms of the general plan are justifiable in the
31 context of the transaction and in the context of similar transactions.

32 3. Whether the fees, costs and expenditures as set forth in the
33 general plan are reasonably related to the services provided.

34 4. For projects of owner-occupied single family dwelling units to be
35 occupied by persons of low and moderate income and financed pursuant to
36 section 35-706, subsection A, paragraphs 11 and 12, whether the proposed
37 mortgage monies to be made available will fulfill a public purpose by
38 providing housing for persons of low and moderate income or by encouraging
39 single family developments in all participating jurisdictions, including such
40 jurisdictions' redevelopment areas as defined in section 36-1471.

41 C. The governing body shall approve or disapprove the general plan not
42 later than thirty days after receipt of the plan. If the governing body does
43 not act upon the general plan within thirty days from the date of receipt,
44 the general plan shall be deemed approved. If a general plan is approved,
45 the corporation may issue the series of bonds covered by the general plan

1 with a total principal amount, maximum term and maximum interest rate no
2 greater than that which is set forth in the general plan. The origination
3 and servicing fees pertaining to mortgage loans to be financed in accordance
4 with the general plan shall not exceed those proposed in the general
5 plan. The corporation may vary other items in the general plan upon a
6 finding that the variation is minor and that the variations will not impair
7 the security for the bonds or substantially increase the cost of financing
8 the single family dwelling units and the findings of the corporation shall
9 be conclusive.

10 D. The governing body may charge any corporation submitting a general
11 plan for review a fee of not to exceed ten thousand dollars together with
12 reimbursement of its actual costs and expenses incurred in reviewing the
13 general plan.

14 E. A corporation shall not issue bonds, other than refunding bonds the
15 proceeds of which are used exclusively to refund a prior bond issue, to
16 finance a multifamily residential rental project, sanitarium, clinic, medical
17 hotel, rest home, nursing home, skilled nursing facility or life care
18 facility as defined PRESCRIBED in section 20-1801, unless the department of
19 commerce approves the project. The department, with or without a hearing,
20 shall review the project and consider at least the following factors:

21 1. The demand for and feasibility of the project in the area set forth
22 in the application to the corporation.

23 2. The terms and conditions of the proposed bonds.

24 3. The proposed use of bond proceeds.

25 4. The benefit to the public if the project provides rental housing
26 for persons of low and moderate income or encourages rental housing
27 in redevelopment areas as defined in section 36-1471.

28 5. If the project consists of a nursing home, or a life care facility
29 as defined PRESCRIBED in section 20-1801, the benefit to the public of the
30 project, including the proposed rent, fees and other charges of the project
31 in relation to the level of services to be offered.

32 F. Subsection E of this section does not apply to bonds issued to
33 finance a sanitarium, clinic, medical hotel, rest home, nursing home, skilled
34 nursing facility, or life care facility as defined PRESCRIBED in section
35 20-1801, if the facility is to be owned and operated by this state or a
36 political subdivision or agency of this state.

37 G. The department of commerce with or without a hearing shall approve
38 or disapprove the project not later than thirty days after receipt of the
39 request for approval. If the project is approved the corporation may issue
40 the bonds described in the approval request with the total principal amount,
41 maximum term and maximum interest rate no greater than as set forth in the
42 request. The department shall charge each applicant submitting a project
43 approval request pursuant to this subsection a fee of not to exceed five
44 thousand dollars together with reimbursement of its actual costs and expenses
45 incurred in reviewing the project. BEGINNING ON OCTOBER 1, 2002, THE

1 DEPARTMENT SHALL REMIT THE FEES TO THE STATE TREASURER FOR DEPOSIT IN THE
2 ARIZONA DEPARTMENT OF HOUSING PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

3 H. FOR THE PURPOSES OF THIS SECTION, "DEPARTMENT" MEANS:

4 1. THROUGH SEPTEMBER 30, 2002, THE OFFICE OF HOUSING DEVELOPMENT IN
5 THE GOVERNOR'S OFFICE.

6 2. BEGINNING ON OCTOBER 1, 2002, THE ARIZONA DEPARTMENT OF HOUSING.

7 Sec. 2. Section 35-728, Arizona Revised Statutes, is amended to read:

8 35-728. Additional powers; allocating low-income housing tax
9 credits; report; definition

10 A. In addition to the other powers granted to the department of
11 commerce, the department may:

12 1. Adopt rules for the conduct of its business and its review of the
13 activities described in this article.

14 2. Contract with, retain or designate financial consultants, attorneys
15 and such other consultants and independent contractors as it determines
16 necessary or appropriate to carry out the purposes of this article.

17 3. Undertake and carry out or authorize the completion of studies and
18 analyses of housing conditions and needs within this state relevant to the
19 purposes of this section to the extent not otherwise undertaken by other
20 departments or agencies of this state satisfactory for such purpose.

21 B. The department is designated the housing credit agency for this
22 state for purposes of section 42 of the United States internal revenue code
23 and is responsible for allocating the federal low-income housing tax credits
24 available to this state. After reviewing applications the department may
25 assess the applicant a reasonable fee to ~~reimburse its administrative~~
26 ~~expenses for~~ IN CONNECTION WITH processing the applications AND MONITORING
27 COMPLIANCE WITH THE PROGRAM. BEGINNING ON OCTOBER 1, 2002, THE DEPARTMENT
28 SHALL REMIT THE FEES TO THE STATE TREASURER FOR DEPOSIT IN THE ARIZONA
29 DEPARTMENT OF HOUSING PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

30 C. FOR THE ACTIVITIES AUTHORIZED IN THIS SECTION, THE DEPARTMENT SHALL
31 NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A MULTIFAMILY RENTAL
32 PROJECT IS PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL REQUEST
33 AND OBTAIN WRITTEN CONSENT FROM THE GOVERNING BODY OF THE CITY, TOWN, COUNTY
34 OR TRIBAL GOVERNMENT OR AN OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE
35 CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT. THE DEPARTMENT SHALL NOT INTERFERE
36 WITH OR ATTEMPT TO OVERRIDE THE LOCAL JURISDICTION'S PLANNING, ZONING OR LAND
37 USE REGULATIONS. THIS SUBSECTION SHALL NOT BE INTERPRETED TO INTERFERE IN
38 ANY WAY WITH THE REQUIREMENTS OF STATE OR FEDERAL FAIR HOUSING LAWS.

39 ~~C.~~ D. The ~~authority~~ DEPARTMENT shall provide to the governor, the
40 president of the senate, the speaker of the house of representatives and the
41 auditor general not later than September 30 of each year a report of the
42 activities of the ~~authority~~ DEPARTMENT during the preceding fiscal year. The
43 report shall include information on the following matters:

1 1. An assessment of the number AND GEOGRAPHIC LOCATION of housing
2 units or developments financed or otherwise assisted by the authority
3 DEPARTMENT or by the corporations reporting to the authority DEPARTMENT.

4 2. An assessment of the assistance in obtaining housing provided by
5 the authority DEPARTMENT or by the corporations reporting to the authority
6 DEPARTMENT to persons of low or moderate income and to other persons.

7 3. An assessment of the approximate amount of money used in the
8 housing industry as a result of the authority's DEPARTMENT'S activities.

9 E. FOR THE PURPOSES OF THIS SECTION, "DEPARTMENT" MEANS:

10 1. THROUGH SEPTEMBER 30, 2002, THE OFFICE OF HOUSING DEVELOPMENT IN
11 THE GOVERNOR'S OFFICE.

12 2. BEGINNING ON OCTOBER 1, 2002, THE ARIZONA DEPARTMENT OF HOUSING.

13 Sec. 3. Section 35-729, Arizona Revised Statutes, is amended to read:
14 35-729. Exemption from procurement code

15 For purposes of this article ~~the department is~~ AND CHAPTER 7 OF THIS
16 TITLE, THE FOLLOWING ARE exempt from title 41, chapter 23 or other
17 restrictions on the procedure for entering into contracts:

18 1. THE DEPARTMENT OF COMMERCE.

19 2. THROUGH SEPTEMBER 30, 2002, THE OFFICE OF HOUSING DEVELOPMENT IN
20 THE GOVERNOR'S OFFICE.

21 3. BEGINNING ON OCTOBER 1, 2002, THE ARIZONA DEPARTMENT OF HOUSING.

22 Sec. 4. Section 35-913, Arizona Revised Statutes, is amended to read:
23 35-913. Special allocations for mortgage revenue bonds and
24 mortgage credit certificates; definitions

25 A. This section governs allocations of the state ceiling made by the
26 director pursuant to section 35-902, subsection C.

27 B. If the portion of a corporation's allocation computed pursuant to
28 subsection C of this section is less than ten million dollars, the director
29 shall first award ten million dollars of the state allocation to that
30 corporation. Thereafter, the director shall award the remaining state
31 allocation in the same proportion that the population of each of the
32 remaining corporations' jurisdictions bears to the population of this state
33 according to the census, minus the population of the corporations receiving
34 a ten million dollar allocation pursuant to this subsection.

35 C. Each corporation that is described in section 35-706, subsection
36 E and that submits a request for allocation pursuant to section 35-902,
37 subsection C shall receive a portion of the allocation made by the director
38 in the same proportion that the population of that corporation's jurisdiction
39 bears to the population of this state, according to the census but in no
40 event less than ten million dollars.

41 D. At any time before submitting a formal request for allocation, but
42 no later than January 31, a corporation described in section 35-706,
43 subsection E may submit to the director an allocation reservation for an
44 amount not to exceed that portion of the allocation to which the corporation
45 is entitled pursuant to this subsection. The allocation reservation may

1 include an offer to use additional allocation amounts described in subsection
 2 E of this section for ~~all counties, cities and towns in this state that are~~
 3 ~~not within the jurisdiction of any corporation that submitted an allocation~~
 4 ~~reservation pursuant to this section.~~ RURAL AREAS. ON OR BEFORE JANUARY 31,
 5 THE ARIZONA HOUSING FINANCE AUTHORITY MAY SUBMIT TO THE DIRECTOR AN
 6 ALLOCATION RESERVATION FOR THE AMOUNTS DESCRIBED IN SUBSECTION E OF THIS
 7 SECTION FOR RURAL AREAS. The allocation reservation does not constitute a
 8 formal request for allocation and does not obligate THE ARIZONA HOUSING
 9 FINANCE AUTHORITY OR a corporation to submit a request for allocation.

10 E. The director shall require that one or more qualified mortgage
 11 revenue bond or qualified mortgage credit certificate programs benefit the
 12 residents of ~~all counties, cities and towns of this state that are not within~~
 13 ~~the jurisdiction of the corporations that reserve an allocation pursuant to~~
 14 ~~subsection C of this section~~ RURAL AREAS. Between February 1 and February
 15 ~~15~~ MARCH 1, an allocation of the unreserved portion of the state ceiling
 16 under section 35-902, subsection C shall be made by the director for this
 17 purpose. The recipient of this ~~additional~~ allocation shall be THE ARIZONA
 18 HOUSING FINANCE AUTHORITY OR ~~one corporation or two or more corporations that~~
 19 have executed a cooperative agreement and that have jointly submitted an
 20 allocation reservation pursuant to subsection C of this section. The
 21 director shall determine the recipient of the ~~additional~~ allocation DESCRIBED
 22 IN THIS SUBSECTION by ~~February 15~~ MARCH 1 from THE ARIZONA HOUSING FINANCE
 23 AUTHORITY OR ONE OR MORE OF those corporations that have offered to use an
 24 ~~additional~~ THE allocation DESCRIBED IN THIS SUBSECTION in an allocation
 25 reservation submitted before February 1. If ~~no~~ NEITHER THE ARIZONA HOUSING
 26 FINANCE AUTHORITY NOR ANY corporation offers an allocation reservation to use
 27 the ~~additional~~ THIS allocation before February 1 the director shall select
 28 THE ARIZONA HOUSING FINANCE AUTHORITY OR a corporation for that purpose.

29 F. ~~The corporation selected by~~ IF the director SELECTS THE ARIZONA
 30 HOUSING FINANCE AUTHORITY OR ONE OR MORE CORPORATIONS to serve RURAL areas
 31 ~~outside its jurisdiction,~~ THE ARIZONA HOUSING FINANCE AUTHORITY OR THE
 32 CORPORATION shall receive an ~~additional~~ confirmation of state ceiling, as THE
 33 ALLOCATION described in subsection E of this section, ~~at the time it receives~~
 34 ~~a confirmation pursuant to subsection C of this section~~ BEFORE MARCH
 35 1. Mortgage credit certificates or the proceeds of qualified mortgage
 36 revenue bonds made available through the portion of the state ceiling
 37 allocated pursuant to subsection E of this section shall be reserved for at
 38 least a one hundred eighty day period exclusively for the financing of single
 39 family dwelling units in RURAL areas ~~that are not within the jurisdiction of~~
 40 ~~any corporation described in section 35-706, subsection E.~~ The director may
 41 extend the one hundred eighty day period at the time of allocation or a later
 42 time based on market conditions. The director at any time may modify any
 43 extension based on market conditions at the time. After the one hundred
 44 eighty day period or any extension, whichever is later, the director may
 45 allocate any reservation that has not been used for use ~~within the~~

1 ~~jurisdiction of the issuing corporation and within the jurisdiction of any~~
2 ~~other corporation THAT IS described in section 35-706, subsection E AND that~~
3 ~~gives its consent.~~

4 G. The validity of a confirmation for qualified mortgage revenue bonds
5 or a qualified mortgage credit certificate program to benefit residents of
6 part of the state shall not be affected by reason of qualified mortgage
7 revenue bonds or a qualified mortgage credit certificate program receiving
8 a confirmation to benefit residents of another part of the state not being
9 issued.

10 H. Except as provided in subsections F and G of this section, a
11 corporation shall not exercise the powers granted under section 35-706,
12 subsection A, paragraphs 11, 12 and 13 outside of its own jurisdiction.

13 I. At the time a confirmation is issued the director shall determine
14 in writing the allocation amounts in the manner described in this section.
15 In determining the recipient or recipients for the ~~additional~~ allocation
16 ~~pursuant to~~ DESCRIBED IN subsection E of this section, the director may
17 consider the effectiveness of alternative program structures in rural areas
18 ~~of the state~~. No action may be brought questioning the accuracy of any
19 determination made by the director pursuant to this section without a finding
20 of the director's bad faith or wilful misconduct.

21 J. Confirmations of the state ceiling under section 35-902, subsection
22 C may be applied toward a qualified mortgage revenue bond program or
23 qualified mortgage credit certificate program in any combination deemed
24 appropriate by the issuing corporation with the approval of its governing
25 body OR BY THE BOARD OF THE ARIZONA HOUSING FINANCE AUTHORITY FOR A PROGRAM
26 FOR RURAL AREAS ESTABLISHED BY THE ARIZONA HOUSING FINANCE AUTHORITY.

27 K. Denial of approval of the use of qualified mortgage revenue bond
28 proceeds or qualified mortgage credit certificates in a city or town pursuant
29 to section 35-706 OR SUBSECTION L OF THIS SECTION does not affect the
30 validity of the allocation or affect the amount of state allocation that is
31 allocated for that purpose.

32 L. THE ARIZONA HOUSING FINANCE AUTHORITY MAY NOT PERMIT PROCEEDS OF
33 BONDS OR A QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM IN RURAL AREAS TO
34 BE USED TO FINANCE PROJECTS THAT ARE OWNER-OCCUPIED SINGLE FAMILY DWELLING
35 UNITS WITHIN THE CORPORATE LIMITS OF AN INCORPORATED CITY OR TOWN, THE
36 UNINCORPORATED AREA OF A COUNTY OR A RESERVATION FOR AN INDIAN TRIBE, UNLESS
37 THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBE HAS APPROVED THE
38 GENERAL LOCATION AND CHARACTER OF THE RESIDENCES TO BE FINANCED. BEFORE THE
39 ISSUANCE OF BONDS OR MORTGAGE CREDIT CERTIFICATES FOR THAT PURPOSE, THE
40 AUTHORITY SHALL GIVE WRITTEN NOTICE TO THE GOVERNING BODY OF EACH CITY, TOWN,
41 COUNTY OR TRIBAL RESERVATION IN WHICH IT INTENDS TO PERMIT PROCEEDS OF AN
42 ISSUE OF BONDS OR MORTGAGE CREDIT CERTIFICATES TO BE USED TO FINANCE PROJECTS
43 THAT ARE OWNER-OCCUPIED SINGLE FAMILY DWELLING UNITS AND OF THE GENERAL
44 LOCATION AND CHARACTER OF THE RESIDENCES THAT MAY BE FINANCED. THE GOVERNING
45 BODY OF THE CITY, TOWN, COUNTY OR TRIBE IS DEEMED TO HAVE GIVEN ITS APPROVAL

1 UNLESS IT DENIES APPROVAL BY FORMAL ACTION OF THE GOVERNING BODY WITHIN
2 TWENTY-ONE DAYS AFTER RECEIVING THE WRITTEN NOTICE FROM THE
3 AUTHORITY. APPROVALS GIVEN OR DEEMED TO HAVE BEEN GIVEN WITH RESPECT TO USE
4 OF PROCEEDS OF AN ISSUE OF BONDS OR MORTGAGE CREDIT CERTIFICATES UNDER THIS
5 SUBSECTION MAY NOT BE WITHDRAWN. DENIALS MAY BE WITHDRAWN BY THE GOVERNING
6 BODY OF A CITY, TOWN, COUNTY OR TRIBE AND APPROVAL MAY BE GIVEN AFTER A
7 DENIAL IS WITHDRAWN IF THE AUTHORITY APPROVES THE WITHDRAWAL OF THE DENIAL.

8 ~~t.~~ M. For purposes of this section:

9 1. "Census" means the most recent United States decennial census or
10 the special census conducted in accordance with section 42-5033 if it is more
11 recent than the most recent United States decennial census.

12 2. "DIRECTOR" MEANS:

13 (a) THROUGH SEPTEMBER 30, 2002, THE DIRECTOR OF THE OFFICE OF HOUSING
14 DEVELOPMENT IN THE GOVERNOR'S OFFICE.

15 (b) BEGINNING ON OCTOBER 1, 2002, THE DIRECTOR OF THE ARIZONA
16 DEPARTMENT OF HOUSING.

17 ~~2.~~ 3. "Population" of a corporation's jurisdiction means population
18 according to the census. The population of a corporation formed on behalf
19 of a county equals the population of the county minus the population of any
20 other corporation that is within the county, that is described in section
21 35-706, subsection E and that submits a request for allocation pursuant to
22 section 35-902, subsection C.

23 4. "RURAL AREAS" MEANS ALL OF THE AREA OF THIS STATE THAT IS NOT
24 LOCATED WITHIN THE JURISDICTION OF A CORPORATION DESCRIBED IN SECTION 35-706,
25 SUBSECTION E.

26 Sec. 5. Section 41-885, Arizona Revised Statutes, is amended to read:

27 41-885. Definitions

28 In this article, unless the context otherwise requires:

29 1. "Commission" means the Arizona neighborhood preservation and
30 investment commission.

31 2. "Department" means:

32 (a) THROUGH SEPTEMBER 30, 2002, THE OFFICE OF HOUSING DEVELOPMENT IN
33 THE GOVERNOR'S OFFICE.

34 (b) BEGINNING ON OCTOBER 1, 2002, the ARIZONA department of commerce
35 HOUSING.

36 3. "Director" means the director of the department.

37 4. "Fund" means the Arizona neighborhood preservation and investment
38 fund.

39 Sec. 6. Section 41-1505, Arizona Revised Statutes, is amended to read:

40 41-1505. Office of housing development; powers and duties

41 A. A state office of housing development is established in the
42 department GOVERNOR'S OFFICE to be responsible for providing, ESTABLISHING
43 POLICIES, PROCEDURES AND PROGRAMS THAT THE OFFICE IS AUTHORIZED TO CONDUCT
44 TO ADDRESS THE AFFORDABLE HOUSING ISSUES CONFRONTING THIS STATE, INCLUDING
45 HOUSING ISSUES OF LOW INCOME FAMILIES, MODERATE INCOME FAMILIES, HOUSING

1 AFFORDABILITY, SPECIAL NEEDS POPULATIONS AND DECAYING HOUSING STOCK. AMONG
2 OTHER THINGS, THE OFFICE SHALL PROVIDE to qualified housing participants and
3 political subdivisions of this state, advisory, consultative, planning,
4 training and educational assistance for the development of SAFE, DECENT AND
5 AFFORDABLE HOUSING, INCLUDING housing for low and moderate income households
6 on a statewide basis.

7 B. Under the direction of the director, the office shall:

8 1. Establish guidelines APPLICABLE TO THE PROGRAMS AND ACTIVITIES OF
9 THE OFFICE for the construction or financing of future affordable HOUSING AND
10 housing for low and moderate income housing HOUSEHOLDS in the state. THESE
11 GUIDELINES SHALL MEET OR EXCEED ALL APPLICABLE STATE OR LOCAL BUILDING AND
12 HEALTH AND SAFETY CODE REQUIREMENTS AND, IF APPLICABLE, THE NATIONAL
13 MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974 AND TITLE VI
14 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 (P.L. 93-383, AS AMENDED
15 BY P.L. 95-128, 96-153 AND 96-339).

16 2. Provide staff support to the Arizona housing commission and
17 coordinate its activities.

18 3. Accept and allocate any monies as from time to time may be
19 appropriated by the legislature for the purposes set forth in this article.

20 4. Perform other duties necessary to administer the state housing
21 development program.

22 5. PERFORM THE DUTIES PRESCRIBED IN SECTIONS 35-726, 35-728 AND 35-913
23 AND CHAPTER 4.3 OF THIS TITLE.

24 6. STIMULATE AND ENCOURAGE ALL LOCAL, STATE, REGIONAL AND FEDERAL
25 GOVERNMENTAL AGENCIES AND ALL PRIVATE PERSONS AND ENTERPRISES THAT HAVE
26 SIMILAR AND RELATED OBJECTIVES AND PURPOSES, COOPERATE WITH THE AGENCIES,
27 PERSONS AND ENTERPRISES AND CORRELATE OFFICE PLANS, PROGRAMS AND OPERATIONS
28 WITH THOSE OF THE AGENCIES, PERSONS AND ENTERPRISES.

29 7. CONDUCT RESEARCH ON ITS OWN INITIATIVE OR AT THE REQUEST OF THE
30 GOVERNOR, THE LEGISLATURE OR STATE OR LOCAL AGENCIES PERTAINING TO ANY OFFICE
31 OBJECTIVES.

32 8. PROVIDE INFORMATION AND ADVICE ON REQUEST OF ANY LOCAL, STATE OR
33 FEDERAL AGENCIES, PRIVATE PERSONS AND BUSINESS ENTERPRISES ON MATTERS WITHIN
34 THE SCOPE OF OFFICE ACTIVITIES.

35 9. CONSULT WITH AND MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE
36 LEGISLATURE ON ALL MATTERS CONCERNING OFFICE OBJECTIVES.

37 10. MAKE ANNUAL REPORTS TO THE GOVERNOR AND THE LEGISLATURE ON ITS
38 ACTIVITIES, INCLUDING THE GEOGRAPHIC LOCATION OF ITS ACTIVITIES, ITS FINANCES
39 AND THE SCOPE OF ITS OPERATIONS.

40 C. Under the direction of the director, the responsibilities of the
41 office may include the following:

42 1. Assistance to secure construction and mortgage financing from
43 public and private sector sources.

1 2. Assistance to acquire mortgage financing from the sale of PROGRAMS
2 ESTABLISHED BY industrial development authority AUTHORITIES and municipal
3 mortgage revenue bond issues POLITICAL SUBDIVISIONS OF THIS STATE.

4 3. Assistance for the acquisition and utilization of federal housing
5 assistance programs pertinent to enhance the economic feasibility of a
6 proposed residential development.

7 4. Assistance for the compliance of a proposed residential development
8 with applicable federal, state and local codes and ordinances.

9 5. Preparation and publication of planning and development guidelines
10 for the establishment and delivery of housing assistance programs.

11 6. CONTRACTING WITH A FEDERAL AGENCY TO CARRY OUT FINANCIAL WORK ON
12 THE FEDERAL AGENCY'S BEHALF AND ACCEPTING PAYMENT FOR THE WORK.

13 7. SUBCONTRACTING FOR THE FINANCIAL WORK PRESCRIBED IN PARAGRAPH 6 OF
14 THIS SUBSECTION AND MAKING PAYMENTS FOR THAT SUBCONTRACTED WORK BASED ON THE
15 EXPECTATION THAT THE FEDERAL AGENCY WILL PAY FOR THAT WORK.

16 8. ACCEPTING PAYMENT FROM A FEDERAL AGENCY FOR WORK PRESCRIBED IN
17 PARAGRAPH 6 OF THIS SUBSECTION.

18 9. CONTRACTING FOR THE SERVICES OF OUTSIDE ADVISERS, CONSULTANTS AND
19 AIDES REASONABLY NECESSARY OR DESIRABLE TO ENABLE THE OFFICE TO ADEQUATELY
20 PERFORM ITS DUTIES.

21 10. CONTRACTING AND INCURRING OBLIGATIONS REASONABLY NECESSARY OR
22 DESIRABLE WITHIN THE GENERAL SCOPE OF OFFICE ACTIVITIES AND OPERATIONS TO
23 ENABLE THE OFFICE TO ADEQUATELY PERFORM ITS DUTIES.

24 11. USING ANY MEDIA OF COMMUNICATION, PUBLICATION AND EXHIBITION IN THE
25 DISSEMINATION OF INFORMATION, ADVERTISING AND PUBLICITY IN ANY FIELD OF ITS
26 PURPOSES, OBJECTIVES OR DUTIES.

27 12. ADOPTING RULES DEEMED NECESSARY OR DESIRABLE TO GOVERN ITS
28 PROCEDURES AND BUSINESS.

29 13. CONTRACTING WITH OTHER AGENCIES IN FURTHERANCE OF ANY OFFICE
30 PROGRAM.

31 14. USING MONIES, FACILITIES OR SERVICES TO PROVIDE CONTRIBUTIONS UNDER
32 FEDERAL OR OTHER PROGRAMS THAT FURTHER THE OBJECTIVES AND PROGRAMS OF THE
33 OFFICE.

34 15. ACCEPTING GIFTS, GRANTS, MATCHING MONIES OR DIRECT PAYMENTS FROM
35 PUBLIC OR PRIVATE AGENCIES OR PRIVATE PERSONS AND ENTERPRISES FOR THE CONDUCT
36 OF PROGRAMS THAT ARE CONSISTENT WITH THE GENERAL PURPOSES AND OBJECTIVES OF
37 THE OFFICE.

38 16. ESTABLISHING AND COLLECTING FEES AND RECEIVING REIMBURSEMENT OF
39 COSTS IN CONNECTION WITH ANY PROGRAMS OR DUTIES PERFORMED BY THE OFFICE.

40 17. PROVIDING STAFF SUPPORT TO THE ARIZONA HOUSING FINANCE AUTHORITY
41 AND COORDINATING ITS ACTIVITIES.

42 D. FOR THE PURPOSES OF THIS SECTION, THE OFFICE IS EXEMPT FROM CHAPTER
43 23 OF THIS TITLE.

44 E. The department OFFICE is the designated state public housing
45 agency as defined in the United States housing act of 1937 (42 United States

1 Code sections 1401 through 1440) for the purpose of accepting federal housing
2 assistance monies and may participate in the housing assistance payments
3 program. Federal monies accepted ~~shall only~~ MAY be secured FOR ALL AREAS OF
4 THIS STATE SUBJECT ONLY TO THE LIMITATIONS PRESCRIBED IN SUBSECTION F OF THIS
5 SECTION.

6 F. For areas of the state where an existing public housing authority
7 has not been established pursuant to section 36-1404, subsection A, the
8 department OFFICE acting as a public housing agency MAY UNDERTAKE ALL
9 ACTIVITIES UNDER THE SECTION 8 TENANT-BASED RENTAL HOUSING ASSISTANCE PAYMENT
10 PROGRAM, EXCEPT THAT THE OFFICE shall not undertake a ~~housing project~~ SECTION
11 8 TENANT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM within the
12 boundaries of a city, town or county unless authorized by resolution of the
13 governing body of the city, town or county. IF THE OFFICE ACCEPTS MONIES FOR
14 A SECTION 8 TENANT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM FOR AREAS
15 OF THIS STATE WHERE AN EXISTING PUBLIC HOUSING AUTHORITY HAS BEEN ESTABLISHED
16 PURSUANT TO SECTION 36-1404, SUBSECTION A, THE OFFICE SHALL ONLY ACCEPT AND
17 SECURE FEDERAL MONIES TO PROVIDE HOUSING FOR THE SERIOUSLY MENTALLY ILL OR
18 OTHER DISABLED POPULATIONS. THE OFFICE MAY ACCEPT AND SECURE FEDERAL MONIES
19 FOR THE UNDERTAKING OF ALL CONTRACT ADMINISTRATOR ACTIVITIES AUTHORIZED UNDER
20 A SECTION 8 PROJECT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM IN ALL
21 AREAS OF THIS STATE, AND THIS PARTICIPATION DOES NOT REQUIRE THE
22 AUTHORIZATION OF ANY LOCAL GOVERNING BODY.

23 E. G. The department OFFICE shall not itself finance, DIRECTLY
24 construct, own, operate, ~~manage~~ or rehabilitate any housing units, EXCEPT AS
25 MAY BE NECESSARY TO PROTECT THE OFFICE'S COLLATERAL OR SECURITY INTEREST
26 ARISING OUT OF ANY OFFICE PROGRAMS.

27 F. H. Notwithstanding any other provision of this section, the
28 department OFFICE may ~~allocate~~ OBLIGATE monies as loans or grants APPLICABLE
29 TO PROGRAMS AND ACTIVITIES OF THE OFFICE for the purpose of providing housing
30 opportunities for low AND MODERATE income households OR FOR HOUSING
31 AFFORDABILITY OR TO PREVENT OR COMBAT DECAYING HOUSING STOCK.

32 1. FOR ACTIVITIES AUTHORIZED IN SUBSECTION C, PARAGRAPHS 1, 2, 3, 6
33 AND 15 AND SUBSECTIONS E AND F OF THIS SECTION, EXCEPT FOR CONTRACT
34 ADMINISTRATION ACTIVITIES IN CONNECTION WITH THE PROJECT-BASED SECTION 8
35 PROGRAM, THE OFFICE SHALL NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT
36 THAT A PROGRAM OR PROJECT IS PLANNED FOR ITS JURISDICTION AND, BEFORE
37 PROCEEDING, SHALL SEEK COMMENT FROM THE GOVERNING BODY OF THE CITY, TOWN,
38 COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL AUTHORIZED BY THE GOVERNING BODY
39 OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT. THE OFFICE SHALL NOT
40 INTERFERE WITH OR ATTEMPT TO OVERRIDE THE LOCAL JURISDICTION'S PLANNING,
41 ZONING OR LAND USE REGULATIONS.

42 Sec. 7. Section 41-1505.11, Arizona Revised Statutes, is amended to
43 read:

44 41-1505.11. Arizona housing commission; definitions

45 A. An Arizona housing commission is established consisting of:

1 1. The following members who are appointed by the governor:

2 (a) One representative of a rural city government.

3 (b) One representative of a nonrural city government.

4 (c) One representative of a rural county government.

5 (d) One representative of a nonrural county government.

6 (e) One representative of a tribal government.

7 (f) One representative of the banking or lending community.

8 (g) One representative of the special needs population.

9 (h) One representative of a statewide housing association.

10 (i) Two representatives of the private sector of the real estate
11 industry.

12 (j) Three representatives from the private sector of the housing
13 industry, one of whom is a home builder, one of whom is a multifamily housing
14 developer and one of whom is a licensed manufactured home manufacturer or
15 dealer.

16 (k) Two representatives of the nonprofit organizations that work on
17 housing or other related issues.

18 (l) Two representatives of the general public.

19 2. The director of the ~~department of commerce~~ OFFICE OF HOUSING
20 DEVELOPMENT or the director's designee.

21 3. The speaker of the house of representatives and the president of
22 the senate or their designees who serve as advisory members. For purposes
23 of this paragraph, "advisory members" means members who give advice to other
24 members of the commission but who are not eligible to vote and are not
25 members for the purpose of determining whether a quorum is present.

26 B. The commission shall:

27 1. Recommend affordable housing strategic planning and policy.

28 2. Coordinate public and private housing finance programs.

29 3. Provide the means for better private and public partnerships and
30 initiatives for developing affordable housing.

31 4. Oversee all state housing programs.

32 5. Encourage the development of affordable housing opportunities for
33 special needs populations.

34 6. Advise the governor, the legislature, state agencies and city,
35 county and tribal governmental bodies on the public and private actions that
36 affect the cost or supply of housing.

37 C. The members shall elect a chairperson and a vice-chairperson
38 annually.

39 D. Members appointed pursuant to subsection A, paragraph 1:

40 1. Serve four year terms.

41 2. Are not eligible to receive compensation but are eligible to
42 receive reimbursement for expenses pursuant to title 38, chapter 4, article
43 2.

44 E. The director of the office of housing development serves as
45 executive director of the commission.

1 F. For purposes of this section:

2 1. "Rural county" means a county with a population of less than four
3 hundred thousand persons according to the most recent United States decennial
4 census.

5 2. "Rural city" means either:

6 (a) A city or town WITH A POPULATION of less than fifty thousand
7 persons in a county of less than four hundred thousand persons according to
8 the most recent United States decennial census.

9 (b) A city or town within a census county division with fewer A
10 POPULATION OF LESS than fifty thousand persons in a county with a population
11 of four hundred thousand or more persons according to the most recent United
12 States decennial census.

13 3. "Special needs population" includes the homeless, THE seriously
14 mentally ill, THE physically disabled, individuals infected with HIV THE
15 HUMAN IMMUNODEFICIENCY VIRUS, THE elderly or other populations with
16 specialized housing needs.

17 Sec. 8. Section 41-1512, Arizona Revised Statutes, is amended to read:

18 41-1512. Housing trust fund; purpose

19 A. The housing trust fund is established and shall be administered by
20 the director. The fund consists of monies from unclaimed property deposited
21 in the fund pursuant to section 44-313 and investment earnings.

22 B. On notice from the ~~department of commerce~~ OFFICE OF HOUSING
23 DEVELOPMENT, the state treasurer shall invest and divest monies in the fund
24 as provided by section 35-313, and monies earned from investment shall be
25 credited to the fund.

26 C. Fund monies shall be spent on approval of the ~~department of~~
27 ~~commerce~~ OFFICE OF HOUSING DEVELOPMENT for developing projects and programs
28 connected with providing housing opportunities for low AND MODERATE income
29 households AND FOR HOUSING AFFORDABILITY AND ARIZONA HOUSING FINANCE
30 AUTHORITY PROGRAMS. Pursuant to section 44-313, subsection A, a portion of
31 fund monies shall be used exclusively for affordable housing in rural areas.

32 D. In approving the expenditure of monies, the director shall give
33 priority to funding projects that provide for operating, constructing or
34 renovating facilities for housing for low income families and that provide
35 housing and shelter to families that have children.

36 E. The director shall report annually to the legislature on the status
37 of the housing trust fund. The report shall include a summary of facilities
38 for which funding was provided during the preceding fiscal year, showing the
39 cost AND GEOGRAPHIC LOCATION of each facility and the number of individuals
40 benefiting from the operation, construction or renovation of the facility.
41 The report shall be submitted to the president of the senate and the speaker
42 of the house of representatives no later than September 1 of each year.

43 F. Monies in the housing trust fund are exempt from the provisions of
44 section 35-190 relating to lapsing of appropriations.

1 G. An amount not to exceed ten per cent of the housing trust monies
2 may be appropriated annually by the legislature to the department OFFICE for
3 administrative costs in providing services relating to the housing trust
4 fund.

5 H. FOR ACTIVITIES AUTHORIZED IN THIS SECTION, THE OFFICE SHALL NOTIFY
6 A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROGRAM OR PROJECT IS
7 PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT FROM
8 THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN
9 OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
10 GOVERNMENT. THE OFFICE SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE
11 LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS.

12 Sec. 9. Section 41-1518, Arizona Revised Statutes, is amended to read:
13 41-1518. Housing development fund; purpose

14 A. The housing development fund is established for the purpose of
15 implementing an affordable housing demonstration program in areas in this
16 state that contain state prison facilities. THE FUND CONSISTS OF MONIES
17 PROVIDED FROM THE HOUSING TRUST FUND PURSUANT TO SECTION 44-313, SUBSECTION
18 A, PARAGRAPH 2. The office of housing development shall administer the fund.

19 B. The office of housing development shall allocate fund monies as
20 loans or grants for the construction or renovation of facilities for
21 affordable housing pursuant to this section.

22 C. The communities of Buckeye, Douglas, Florence, Safford, Winslow and
23 Yuma and other communities that are selected as sites for future prison
24 facilities are eligible to receive monies pursuant to this section. A
25 project is eligible to receive funding if the project is within a twenty mile
26 radius of an existing or future prison site.

27 D. The office of housing development shall give preference to projects
28 with local government support and commitments, including local general funds,
29 fee waivers, government sponsored infrastructure improvements and land
30 donations, and to projects that provide housing and shelter to families and
31 individuals who are employed by state prison facilities.

32 E. Monies in the fund shall be used to provide long-term affordable
33 housing opportunities for LOW AND MODERATE INCOME households ~~that are below~~
34 ~~the median income~~ AND FOR HOUSING AFFORDABILITY for areas authorized under
35 subsection C OF THIS SECTION.

36 F. Five hundred thousand dollars of the monies in the fund shall be
37 used for housing projects in eligible areas. Other monies in the fund shall
38 be used for any purpose provided by this section.

39 G. The director of the office of housing development may grant loans
40 from the fund to assist eligible communities in funding affordable housing
41 projects. The director may grant loans pursuant to the following terms and
42 conditions:

43 1. The loans shall be made only for projects that meet the
44 requirements of this section and that demonstrate financial viability.

1 2. The director of the office of housing development may assess an
2 administrative fee on each loan to cover the annual cost to this state of
3 administering the loan program.

4 3. Each loan shall be evidenced by a contract ~~that is entered into~~ OR
5 CONTRACTS between the A political subdivision, ~~and the~~ A for-profit or
6 not-for-profit housing developer and the director of the office of housing
7 development, acting on behalf of the state OR ANY COMBINATION OF A POLITICAL
8 SUBDIVISION, A HOUSING DEVELOPER AND THE DIRECTOR. The contract shall
9 provide for ~~equal~~ AT LEAST annual payments of principal and the ~~annual~~ MAY
10 PROVIDE FOR payment of administrative fees for the term of the loan.

11 4. Each contract shall provide that the attorney general may commence
12 any action that is necessary to enforce the contract and to achieve the
13 repayment of loans that are made pursuant to this section.

14 H. LOAN PAYMENTS AND ADMINISTRATIVE fees assessed RECEIVED pursuant
15 to subsection G, ~~paragraph 2~~ of this section shall be deposited, pursuant to
16 sections 35-146 and 35-147, in the housing development fund.

17 I. Monies in the fund may also be spent for grants or other purposes
18 that meet the requirements that are imposed on the use of the monies.

19 J. The director of the ~~department of commerce~~ OFFICE OF HOUSING
20 DEVELOPMENT shall report annually to the legislature on the status of the
21 fund. The report shall include a summary of facilities for which funding was
22 provided during the preceding fiscal year and shall show the cost AND
23 GEOGRAPHIC LOCATION of each facility and the number of individuals who
24 benefitted from the construction or renovation of the facility. The report
25 shall be submitted to the president of the senate and the speaker of the
26 house of representatives no later than September 1 of each year.

27 K. Monies in the fund are subject to legislative appropriation. On
28 notice from the ~~department of commerce~~ OFFICE OF HOUSING DEVELOPMENT, the
29 state treasurer shall invest and divest monies in the fund as provided by
30 section 35-313, and monies earned from investment shall be credited to the
31 fund. Monies in the fund are exempt from the provisions of section 35-190
32 relating to lapsing of appropriations.

33 L. FOR ACTIVITIES AUTHORIZED IN THIS SECTION, THE OFFICE SHALL NOTIFY
34 A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROGRAM OR PROJECT IS
35 PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT FROM
36 THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN
37 OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
38 GOVERNMENT. THE OFFICE SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE
39 LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS.

40 Sec. 10. Delayed repeal

41 Sections 41-1505, 41-1505.11, 41-1512 and 41-1518, Arizona Revised
42 Statutes, are repealed from and after September 30, 2002.

43 Sec. 11. Title 41, chapter 27, article 2, Arizona Revised Statutes,
44 is amended by adding section 41-3011.01, to read:

1 41-3011.01. Arizona department of housing; termination July 1,
2 2011

3 A. THE ARIZONA DEPARTMENT OF HOUSING TERMINATES ON JULY 1, 2011.

4 B. TITLE 41, CHAPTER 37, ARTICLE 2 IS REPEALED ON JANUARY 1, 2012.

5 Sec. 12. Title 41, Arizona Revised Statutes, is amended by adding
6 chapter 37, to read:

7 CHAPTER 37

8 HOUSING

9 ARTICLE 1. ARIZONA HOUSING FINANCE AUTHORITY

10 41-3901. Definitions

11 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

12 1. "AGREEMENT" MEANS ANY LOAN OR OTHER AGREEMENT, CONTRACT, NOTE,
13 MORTGAGE, DEED OF TRUST, TRUST INDENTURE, LEASE, SUBLEASE OR OTHER SUCH
14 INSTRUMENT ENTERED INTO BY THE AUTHORITY.

15 2. "AUTHORITY" MEANS THE ARIZONA HOUSING FINANCE AUTHORITY.

16 3. "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.

17 4. "BONDS" MEANS ANY BONDS ISSUED PURSUANT TO THIS ARTICLE.

18 5. "CERTIFICATES" MEANS MORTGAGE CREDIT CERTIFICATES.

19 6. "COSTS":

20 (a) MEANS ALL COSTS INCURRED IN THE ISSUANCE OF BONDS OR CERTIFICATES,
21 INCLUDING INSURANCE POLICY, CREDIT ENHANCEMENT, LEGAL, ACCOUNTING,
22 CONSULTING, PRINTING, ADVERTISING AND TRAVEL EXPENSES, PLUS ANY AUTHORITY
23 ADMINISTRATIVE FEES.

24 (b) MAY INCLUDE INTEREST ON BONDS ISSUED PURSUANT TO THIS ARTICLE FOR
25 A REASONABLE TIME BEFORE AND DURING THE TIME THE PROCEEDS ARE USED.

26 7. "FEDERAL AGENCY" MEANS THE UNITED STATES OR ANY AGENCY OR AGENCIES
27 OF THE UNITED STATES.

28 8. "HOUSING FACILITY":

29 (a) MEANS ANY WORK OR UNDERTAKING THAT IS DESIGNED AND FINANCED
30 PURSUANT TO THIS ARTICLE FOR THE PRIMARY PURPOSE OF PROVIDING DECENT, SAFE
31 AND SANITARY DWELLING ACCOMMODATIONS.

32 (b) INCLUDES ANY BUILDINGS, LAND, EQUIPMENT, FACILITIES OR OTHER REAL
33 OR PERSONAL PROPERTY THE BOARD FINDS EITHER TO BE:

34 (i) NECESSARY TO ENSURE REQUIRED OCCUPANCY OR BALANCED COMMUNITY
35 DEVELOPMENT.

36 (ii) NECESSARY OR DESIRABLE FOR SOUND ECONOMIC OR COMMERCIAL
37 DEVELOPMENT OF A COMMUNITY.

38 9. "TRUSTEE" MEANS ANY BANK OR TRUST COMPANY WITH AUTHORITY TO
39 EXERCISE TRUST POWERS IN THIS STATE.

40 41-3902. Establishment of authority; exemption

41 A. THE ARIZONA HOUSING FINANCE AUTHORITY IS ESTABLISHED.

42 B. THE AUTHORITY IS CONSIDERED TO BE A BODY CORPORATE AND POLITIC AND
43 ACTING IN ALL RESPECTS FOR THE BENEFIT OF THE RESIDENTS OF THIS STATE AND
44 PERFORMING A GOVERNMENTAL FUNCTION IN CARRYING OUT THE PURPOSES OF THIS
45 ARTICLE.

1 C. THE AUTHORITY IS EXEMPT FROM CHAPTER 23 OF THIS TITLE.

2 41-3903. Governing board; members; appointment; qualifications;
3 terms; officers; meetings; compensation

4 A. THE AUTHORITY SHALL BE GOVERNED BY A BOARD OF DIRECTORS, CONSISTING
5 OF SEVEN MEMBERS TO BE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION 38-211,
6 GIVING DUE CONSIDERATION TO A DIVERSE GEOGRAPHICAL REPRESENTATION ON THE
7 BOARD. ALL MEMBERS SHALL BE RESIDENTS OF THIS STATE AND NOT MORE THAN FOUR
8 SHALL BELONG TO THE SAME POLITICAL PARTY.

9 B. EACH MEMBER SHALL SERVE FOR A TERM OF SEVEN YEARS. VACANCIES
10 OCCURRING OTHER THAN BY EXPIRATION OF TERM SHALL BE FILLED IN THE SAME MANNER
11 FOR THE REMAINDER OF THE UNEXPIRED TERM.

12 C. THE BOARD SHALL ANNUALLY ELECT FROM AMONG ITS MEMBERS A
13 CHAIRPERSON, A SECRETARY AND A TREASURER.

14 D. THE BOARD RULES SHALL PROVIDE FOR REGULAR ANNUAL MEETINGS OF THE
15 BOARD. THE CHAIRPERSON MAY CALL A SPECIAL MEETING AT ANY TIME. THE BOARD
16 RULES SHALL PROVIDE FOR A METHOD OF GIVING NOTICE OF A SPECIAL MEETING.

17 E. THE BOARD MAY MEET BY AUDIOCONFERENCE OR VIDEOCONFERENCE. THE
18 REQUIREMENTS OF TITLE 38, CHAPTER 3, ARTICLE 3.1 APPLY TO AN AUDIOCONFERENCE
19 OR VIDEOCONFERENCE, EXCEPT THAT ALL VOTES OF MEMBERS MUST BE BY ROLL CALL AND
20 THE BOARD MAY NOT MEET IN EXECUTIVE SESSION BY AUDIOCONFERENCE OR
21 VIDEOCONFERENCE.

22 F. MEMBERS OF THE BOARD ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT
23 ARE ELIGIBLE TO RECEIVE REIMBURSEMENT FOR NECESSARY EXPENSES WHILE ENGAGED
24 IN THE PERFORMANCE OF THE MEMBERS' DUTIES.

25 41-3904. Powers of board

26 A. THE BOARD MAY:

27 1. ADOPT AN OFFICIAL SEAL AND ALTER THE SEAL AT ITS PLEASURE.

28 2. APPLY FOR, ACCEPT AND ADMINISTER GRANTS OF MONIES OR MATERIALS OR
29 PROPERTY OF ANY KIND FROM A FEDERAL AGENCY OR OTHERS, SUBJECT TO SUBSECTION
30 B OF THIS SECTION AND ON SUCH TERMS AND CONDITIONS AS MAY BE IMPOSED.

31 3. ISSUE BONDS OR CERTIFICATES OR PROVIDE FINANCIAL ASSISTANCE FOR
32 HOUSING PURPOSES. THE BONDS AND CERTIFICATES SHALL BE IN THE NAME OF THE
33 AUTHORITY. AN AFFIRMATIVE VOTE BY A MAJORITY OF THE MEMBERS OF THE BOARD IS
34 NECESSARY TO ISSUE BONDS OR CERTIFICATES.

35 4. MAKE AND ENTER INTO AGREEMENTS, INCLUDING INTERGOVERNMENTAL
36 AGREEMENTS PURSUANT TO TITLE 11, CHAPTER 7, ARTICLE 3, EXECUTE ALL
37 INSTRUMENTS, PERFORM ALL ACTS AND DO ALL THINGS NECESSARY OR CONVENIENT TO
38 CARRY OUT THE POWERS GRANTED IN THIS ARTICLE.

39 5. EMPLOY OR CONTRACT WITH HOUSING EXPERTS, ENGINEERS, ARCHITECTS,
40 ATTORNEYS, ACCOUNTANTS, CONSTRUCTION AND FINANCIAL EXPERTS AND SUCH OTHER
41 PERSONS AS MAY BE NECESSARY IN ITS JUDGMENT AND FIX THEIR COMPENSATION. ANY
42 PERSON EMPLOYED OR CONTRACTED WITH PURSUANT TO THIS PARAGRAPH SHALL NOT
43 REPRESENT MORE THAN ONE PARTY IN ANY TRANSACTION.

6. APPOINT AN EXECUTIVE DIRECTOR AND OTHER EMPLOYEES AS IT DEEMS NECESSARY WHO SERVE AT THE PLEASURE OF THE BOARD AND RECEIVE SUCH COMPENSATION AS THE BOARD SHALL FIX.

7. SUE AND BE SUED.

8. ACQUIRE AND MAINTAIN OFFICE SPACE, EQUIPMENT, SUPPLIES, SERVICES AND INSURANCE NECESSARY TO ADMINISTER THIS ARTICLE.

9. CONTRACT WITH, ACT AS GUARANTOR FOR OR COINSURE WITH ANY FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCY AND OTHER ORGANIZATIONS OR CORPORATIONS IN CONNECTION WITH ITS HOUSING ACTIVITIES UNDER THIS ARTICLE AND RECEIVE MONIES RELATING TO THOSE CONTRACTS AND SERVICES. IF THE AUTHORITY ACTS AS COINSURER WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT UNDER THE HOUSING FINANCE AUTHORITY RISK SHARING PROGRAM, THE AUTHORITY SHALL NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT COINSURANCE OF A MULTIFAMILY RESIDENTIAL RENTAL PROJECT IS PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL REQUEST AND OBTAIN WRITTEN CONSENT FROM THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT. THE AUTHORITY SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS. THIS PARAGRAPH SHALL NOT BE INTERPRETED TO INTERFERE IN ANY WAY WITH THE REQUIREMENTS OF STATE OR FEDERAL FAIR HOUSING LAWS.

10. ADOPT BYLAWS AND ADMINISTRATIVE RULES CONSISTENT WITH THIS ARTICLE.

11. PROTECT AND ENFORCE THE INTERESTS OF THE AUTHORITY IN ANY PROJECT FINANCED THROUGH THE AUTHORITY'S RESOURCES.

12. ENTER INTO AND INSPECT ANY HOUSING FACILITY FINANCED THROUGH THE AUTHORITY'S RESOURCES TO INVESTIGATE ITS PHYSICAL CONDITION, CONSTRUCTION, REHABILITATION, OPERATION, MANAGEMENT AND MAINTENANCE AND TO EXAMINE ALL OF THE RECORDS RELATING TO ITS CAPITALIZATION, INCOME AND OTHER RELATED MATTERS.

13. ESTABLISH FEES AND COLLECT REIMBURSEMENT OF COSTS IN CONNECTION WITH THE ISSUANCE OF BONDS OR CERTIFICATES PURSUANT TO SECTION 41-3906.

B. THE AUTHORITY MAY ACQUIRE TITLE TO REAL PROPERTY BY GIFT, GRANT OR OPERATION OF LAW, OR BY PURCHASE IF THE BOARD DEEMS THE PURCHASE NECESSARY TO PRESERVE THE AFFORDABILITY OF A HOUSING FACILITY, AND MAY HOLD THE TITLE FOR A TEMPORARY PERIOD OF TIME. ON ACQUIRING TITLE TO REAL PROPERTY, THE AUTHORITY SHALL IMMEDIATELY BEGIN THE PROCESS OF DISPOSING OF THE PROPERTY ON THE REAL ESTATE MARKET FOR ITS MARKET VALUE. THE AUTHORITY SHALL NOT ACQUIRE TITLE TO REAL PROPERTY BY EMINENT DOMAIN.

41-3905. Costs of operation and administration of authority;
taxation

A. THE STATE IS NOT RESPONSIBLE FOR ANY OBLIGATION INCURRED BY THE AUTHORITY.

B. ALL COSTS AND EXPENSES OF THE AUTHORITY SHALL BE PAID FROM BOND PROCEEDS OR OTHER MONIES OF THE AUTHORITY.

C. THE AUTHORITY AND ITS INCOME AND ALL BONDS ISSUED BY IT AND THE INCOME FROM THE BONDS ARE EXEMPT FROM TAXATION IN THIS STATE. THE BOARD MAY

1 WAIVE EXEMPTION FROM FEDERAL INCOME TAX OF INTEREST ON THE AUTHORITY'S BONDS
2 UNDER THE INTERNAL REVENUE CODE.

3 41-3906. Issuance of bonds or mortgage credit certificates

4 A. THE BOARD, FOR AND ON BEHALF OF THE AUTHORITY, BY RESOLUTION MAY:

5 1. ISSUE BONDS FOR PROJECTS CONSISTING OF MULTIFAMILY RESIDENTIAL
6 RENTAL PROJECTS IN RURAL AREAS AS DEFINED IN SECTION 35-913.

7 2. ISSUE BONDS TO FINANCE RESIDENTIAL DWELLING UNITS IN THE EXERCISE
8 BY THE AUTHORITY OF THE POWERS GRANTED IN SECTION 35-706, SUBSECTION A,
9 PARAGRAPHS 11, 12, 13 AND 14 IN RURAL AREAS AS DEFINED IN SECTION 35-913.

10 3. ESTABLISH MORTGAGE CREDIT CERTIFICATE PROGRAMS TO FINANCE
11 RESIDENTIAL DWELLING UNITS IN THE EXERCISE BY THE AUTHORITY OF THE POWERS
12 GRANTED IN SECTION 35-706, SUBSECTION A, PARAGRAPHS 11, 12, 13 AND 14 IN
13 RURAL AREAS AS DEFINED IN SECTION 35-913.

14 B. FOR THE ACTIVITIES AUTHORIZED IN SUBSECTION A, PARAGRAPH 1 OF THIS
15 SECTION, THE AUTHORITY SHALL NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT
16 AND ANY EXISTING CORPORATION AS DEFINED IN SECTION 35-701 THAT A MULTIFAMILY
17 RESIDENTIAL RENTAL PROJECT IS PLANNED FOR ITS JURISDICTION AND, BEFORE
18 PROCEEDING, SHALL REQUEST AND OBTAIN WRITTEN CONSENT FROM THE GOVERNING BODY
19 OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL AUTHORIZED BY
20 THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT. THE
21 AUTHORITY SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE LOCAL
22 JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS. THIS SUBSECTION
23 SHALL NOT BE INTERPRETED TO INTERFERE IN ANY WAY WITH THE REQUIREMENTS OF
24 STATE OR FEDERAL FAIR HOUSING LAWS.

25 C. NOTWITHSTANDING THE GEOGRAPHIC LIMITATIONS ESTABLISHED IN
26 SUBSECTION A OF THIS SECTION AND IN SECTION 35-913, SUBSECTION J, THE
27 AUTHORITY MAY ENTER INTO INTERGOVERNMENTAL AGREEMENTS OR COOPERATIVE
28 AGREEMENTS DESCRIBED IN SECTION 35-706, SUBSECTION G, WITH THE CORPORATIONS
29 DESCRIBED IN SECTION 35-706, SUBSECTION E, FOR THE ISSUANCE OF BONDS OR
30 CERTIFICATES FOR ACTIVITIES RELATING TO PROPERTY LOCATED IN THE GEOGRAPHIC
31 AREAS OF THE PARTIES TO THE AGREEMENT. THE AUTHORITY SHALL NOT INTERFERE WITH
32 OR ATTEMPT TO OVERRIDE ANY LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE
33 REGULATIONS.

34 D. THE BONDS AND ANY BONDS REFUNDING THOSE BONDS MAY BE ISSUED IN ONE
35 OR MORE SERIES, BEAR SUCH DATE OR DATES, BE IN SUCH DENOMINATION OR
36 DENOMINATIONS, MATURE AT SUCH TIME OR TIMES, NOT EXCEEDING FORTY YEARS FROM
37 THE RESPECTIVE DATES THEREOF, MATURE IN SUCH AMOUNT OR AMOUNTS, BEAR INTEREST
38 AT FIXED OR VARIABLE RATES PAYABLE AT LEAST ANNUALLY, BE IN SUCH FORM, CARRY
39 SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN SUCH
40 MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, BE REFUNDABLE EITHER AT OR IN
41 ADVANCE OF MATURITY AND BE SUBJECT TO SUCH TERMS OF REDEMPTION, WITH OR
42 WITHOUT PREMIUM, AS THE BOARD DIRECTS. THE BONDS MAY BE SOLD AT EITHER PUBLIC
43 OR PRIVATE SALE OR BY AN ELECTRONIC BIDDING PROCESS IN SUCH MANNER AND ON
44 SUCH TERMS AS MAY BE DETERMINED BY THE BOARD TO BE THE MOST

1 ADVANTAGEOUS. SUCH BONDS SHALL BE FULLY NEGOTIABLE WITHIN THE MEANING AND
2 FOR ALL PURPOSES OF TITLE 47.

3 E. PRINCIPAL AND INTEREST ON THE BONDS ARE PAYABLE SOLELY FROM THE
4 REVENUES DERIVED BY THE AUTHORITY FROM THE AGREEMENTS AUTHORIZED BY THIS
5 ARTICLE.

6 F. ANY RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS OR ESTABLISHING
7 A CERTIFICATE PROGRAM MAY PROVIDE FOR:

8 1. EXECUTION OF AGREEMENTS AND INSTRUMENTS THE BOARD DEEMS NECESSARY,
9 INCLUDING THE EXECUTION OF A TRUST INDENTURE AND ASSIGNMENT TO A TRUSTEE OF
10 THE AGREEMENTS RELATING TO THE ISSUE OF BONDS IN ORDER TO PROTECT THE
11 BONDHOLDER OR BONDHOLDERS AND FACILITATE THE PAYMENT OF THE PRINCIPAL AND
12 INTEREST ON THE BONDS.

13 2. PAYMENT OF THE BONDS SOLELY FROM THE MONIES PAID BY THE OBLIGATED
14 HOUSING FACILITY OR FACILITIES.

15 3. CAPITALIZATION OF A BOND RESERVE WITH ANY APPROPRIATE MONIES WHEN
16 THE BOARD DEEMS NECESSARY.

17 4. LIMITATIONS ON THE ISSUANCE OF FUTURE BONDS OR CERTIFICATES OR
18 RESTRICTIONS OR FORMULAS RELATIVE TO THE ISSUANCE OF FUTURE BONDS OF EQUAL
19 OR SECONDARY LIEN, OR FOR A LIEN ON OR PLEDGE OF THE REVENUES RECEIVED FROM
20 ANY PROJECT.

21 5. RESTRICTIONS AS TO LIENS, ENCUMBRANCES OR ALIENATION OF ANY
22 PROPERTY.

23 6. COVENANTS AS TO THE PROCEDURES BY WHICH THE TERMS OF ANY AGREEMENT
24 FOR THE BENEFIT OF A HOLDER OR HOLDERS OF BONDS MAY BE AMENDED OR ABROGATED,
25 THE AMOUNT OR PERCENTAGE OF BONDS THE HOLDER OR HOLDERS OF WHICH MUST CONSENT
26 TO AND THE MANNER IN WHICH CONSENT MAY BE GIVEN.

27 7. ASSIGNMENT TO A TRUSTEE OF ANY OR ALL AGREEMENTS MADE OR ENTERED
28 INTO BY THE AUTHORITY AND VESTING IN THE TRUSTEE THE RIGHT TO ENFORCE ANY
29 COVENANT MADE TO SECURE OR PAY THE BONDS.

30 8. EXECUTION AND DELIVERY OF TRUST AGREEMENTS SETTING FORTH THE
31 POWERS, DUTIES AND REMEDIES AVAILABLE TO TRUSTEES, LIMITING LIABILITIES,
32 DESCRIBING WHAT OCCURRENCES CONSTITUTE DEFAULT AND PRESCRIBING TERMS AND
33 CONDITIONS ON WHICH TRUSTEES OR HOLDERS OF BONDS OF ANY SPECIFIED AMOUNT OR
34 PERCENTAGE OF SUCH BONDS MAY EXERCISE AND ENFORCE ANY RIGHTS, COVENANTS AND
35 REMEDIES.

36 9. VESTING IN A TRUSTEE OR HOLDER OF ANY SPECIFIED AMOUNT OR
37 PERCENTAGE OF BONDS THE RIGHT TO APPLY TO ANY COURT OF COMPETENT JURISDICTION
38 FOR, AND HAVE GRANTED, THE APPOINTMENT OF A RECEIVER TO ACT UNDER THE TERMS
39 OF ANY AGREEMENT.

40 10. A PROVISION FOR RECLAMATION OF THE HOUSING FACILITY IF A PAYMENT
41 REQUIRED UNDER AN AGREEMENT OR ANY OTHER CONDITION REQUIRED IN AN AGREEMENT
42 IS NOT TIMELY PAID OR IS BREACHED.

43 11. A PROVISION FOR THE APPOINTMENT OF A RECEIVER TO OPERATE THE
44 FACILITY DURING A PERIOD OF DEFAULT IN THE REGULAR PAYMENT OR PERFORMANCE
45 UNDER AN AGREEMENT.

1 G. BONDS BEARING THE SIGNATURES OF OFFICERS IN OFFICE ON THE DATE OF
2 THE SIGNING OF THE BONDS ARE VALID AND BINDING OBLIGATIONS, NOTWITHSTANDING
3 THAT BEFORE THEIR DELIVERY AND PAYMENT ANY PERSONS WHOSE SIGNATURES APPEAR
4 ON THE BONDS HAVE CEASED TO BE OFFICERS OF THE AUTHORITY. THE VALIDITY OF
5 THE BONDS IS NOT DEPENDENT ON OR AFFECTED BY THE VALIDITY OR REGULARITY OF
6 ANY PROCEEDINGS TO ACQUIRE THE PROJECT FINANCED BY THE BONDS OR TAKEN IN
7 CONNECTION THEREWITH. NO ACTION MAY BE BROUGHT QUESTIONING THE LEGALITY OF
8 ANY AGREEMENT, PROCEEDING OR ISSUANCE OF BONDS UNDER THIS ARTICLE AFTER TWO
9 MONTHS FROM THE DATE THE BONDS ARE AUTHORIZED TO BE ISSUED BY THE BOARD.

10 41-3907. Authority funds

11 A. IF THE BOARD ISSUES BONDS UNDER THIS ARTICLE, THE BOARD SHALL
12 ESTABLISH SUCH SEPARATE FUNDS AS SPECIFIED IN THE RESOLUTION NECESSARY TO
13 SECURE THE BONDS AND ACCOMPLISH THE OBJECTIVES OF A BOND ISSUE. ANY FUND THE
14 BOARD ESTABLISHES MAY CONTAIN BOND PROCEEDS AND OTHER MONIES DESIGNATED TO
15 BE DEPOSITED IN A BOND FUND BY THIS CHAPTER.

16 B. IF THE BOARD ESTABLISHES A MORTGAGE CREDIT CERTIFICATE PROGRAM, THE
17 BOARD SHALL ESTABLISH SUCH SEPARATE FUNDS AS SPECIFIED IN THE RESOLUTION
18 NECESSARY TO ACCOMPLISH THE OBJECTIVES OF THE CERTIFICATE PROGRAM. THE FUNDS
19 MAY CONSIST OF FEES AND COSTS COLLECTED IN THE CERTIFICATE PROGRAM AND ANY
20 OTHER MONIES DESIGNATED TO BE DEPOSITED IN THE FUND.

21 41-3908. Credit enhancement

22 IN ADDITION TO THE POWERS GRANTED BY THIS ARTICLE, THE AUTHORITY MAY:

23 1. ENTER INTO COVENANTS AND AGREEMENTS WITH ANY FEDERAL AGENCY,
24 PRIVATE AGENCY, CORPORATION OR INDIVIDUAL TO PERFORM ALL ACTS THAT MAY BE
25 NECESSARY, CONVENIENT OR DESIRABLE IN ORDER TO SECURE BONDS OR THAT, IN THE
26 JUDGMENT OF THE BOARD, TEND TO MAKE THE BONDS MORE MARKETABLE AND TO PERFORM
27 ALL ACTS THAT ARE NOT INCONSISTENT WITH THE CONSTITUTION OF THIS STATE AND
28 THAT MAY BE NECESSARY, CONVENIENT OR DESIRABLE FOR THE ISSUANCE OF BONDS AND
29 FOR THEIR SECURITY.

30 2. PROVIDE ADDITIONAL SECURITY FOR THE BONDS IN THE FORM OF A LINE OF
31 CREDIT, LETTER OF CREDIT, INSURANCE POLICY OR OTHER SECURITY AND:

32 (a) PAY THE COST OF THE ADDITIONAL SECURITY FROM AMOUNTS PRODUCED FROM
33 THE BOND ISSUE OR FROM OTHER AVAILABLE SOURCES.

34 (b) ENTER INTO REIMBURSEMENT OBLIGATIONS IN CONNECTION WITH THE
35 ADDITIONAL SECURITY.

36 41-3909. No abrogation of rights

37 THIS STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF ANY BONDS ISSUED
38 UNDER THIS CHAPTER, AND WITH THOSE PARTIES WHO MAY ENTER INTO AGREEMENTS WITH
39 THE AUTHORITY PURSUANT TO THIS ARTICLE, THAT THE STATE WILL NOT LIMIT OR
40 ALTER THE RIGHTS VESTED IN THE AUTHORITY OR SUCCESSOR AGENCY UNTIL ALL BONDS,
41 TOGETHER WITH THE INTEREST ON THE BONDS, ARE FULLY PAID AND DISCHARGED AND
42 ALL AGREEMENTS ARE FULLY PERFORMED, PROVIDED THAT NOTHING CONTAINED IN THIS
43 ARTICLE PRECLUDES SUCH LIMITATION OR ALTERATION IF AND WHEN ADEQUATE
44 PROVISION IS MADE BY LAW FOR THE PROTECTION OF THE HOLDERS OF SUCH

1 OBLIGATIONS OF THE AUTHORITY OR THOSE ENTERING INTO SUCH AGREEMENTS WITH THE
2 AUTHORITY.

3 41-3910. Bonds as legal investments

4 BONDS ISSUED BY THE AUTHORITY ARE SECURITIES IN WHICH ALL PUBLIC
5 OFFICERS AND BODIES OF THIS STATE AND ALL POLITICAL SUBDIVISIONS OF THIS
6 STATE, ALL FINANCIAL INSTITUTIONS, INVESTMENT COMPANIES, INSURANCE COMPANIES
7 AND ASSOCIATIONS AND ALL EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES AND
8 OTHER FIDUCIARIES MAY LEGALLY INVEST ANY SINKING FUNDS, MONIES OR OTHER FUNDS
9 BELONGING TO THEM OR UNDER THEIR CONTROL.

10 41-3911. Bond obligations of the authority

11 ALL BONDS ISSUED PURSUANT TO THIS ARTICLE ARE OBLIGATIONS OF THE
12 AUTHORITY AND ARE PAYABLE ONLY IN ACCORDANCE WITH THE TERMS OF THE BONDS AND
13 SHALL NOT BE OBLIGATIONS GENERAL, SPECIAL OR OTHERWISE OF THIS STATE. SUCH
14 BONDS DO NOT CONSTITUTE A LEGAL DEBT OF THIS STATE AND ARE NOT ENFORCEABLE
15 AGAINST THE STATE, NOR SHALL PAYMENT OF THE BONDS BE ENFORCEABLE OUT OF ANY
16 FUNDS OF THE AUTHORITY OTHER THAN THE INCOME AND REVENUE PLEDGED AND ASSIGNED
17 TO, OR IN TRUST FOR THE BENEFIT OF, THE HOLDER OR HOLDERS OF SUCH BONDS.

18 41-3912. Supplemental law

19 THE POWERS CONFERRED BY THIS ARTICLE ARE IN ADDITION AND SUPPLEMENTAL
20 TO THE POWERS CONFERRED BY ANY OTHER LAW, GENERAL OR SPECIAL, AND SHALL BE
21 DEEMED FULL AUTHORITY FOR THE ISSUANCE OF BONDS, FOR ENTERING INTO AGREEMENTS
22 IN CONNECTION THEREWITH AND FOR THE AUTHORIZATION, ISSUANCE AND SALE OF THE
23 BONDS PURSUANT TO THIS ARTICLE AND WITHOUT REGARD TO THE PROCEDURE REQUIRED
24 BY ANY OTHER SUCH LAW, EXCEPT AS PROVIDED FOR IN TITLE 44, CHAPTER 12,
25 ARTICLE 4.

26 Sec. 13. Section 41-3907, Arizona Revised Statutes, as added by this
27 act, is amended to read:

28 41-3907. Authority funds; transfer of excess monies to Arizona
29 department of housing

30 A. If the board issues bonds under this article, the board shall
31 establish such separate funds as specified in the resolution necessary to
32 secure the bonds and accomplish the objectives of a bond issue. Any fund the
33 board establishes may contain bond proceeds and other monies designated to
34 be deposited in a bond fund by this chapter.

35 B. If the board establishes a mortgage credit certificate program, the
36 board shall establish such separate funds as specified in the resolution
37 necessary to accomplish the objectives of the certificate program. The funds
38 may consist of fees and costs collected in the certificate program and any
39 other monies designated to be deposited in the fund.

40 C. THE BOARD MAY PROVIDE FOR THE IRREVOCABLE TRANSFER OF SURPLUS
41 MONIES IN BOND FUNDS AND THE CERTIFICATE FUND TO THE HOUSING TRUST FUND
42 ESTABLISHED BY SECTION 41-3955 OR THE ARIZONA DEPARTMENT OF HOUSING PROGRAM
43 FUND ESTABLISHED BY SECTION 41-3957 TO REPAY ANY AMOUNTS PREVIOUSLY
44 TRANSFERRED FROM THE ARIZONA DEPARTMENT OF HOUSING TO THE AUTHORITY.

1 Sec. 14. Title 41, chapter 37, Arizona Revised Statutes, as added by
2 this act, is amended by adding article 2, to read:

3 ARTICLE 2. ARIZONA DEPARTMENT OF HOUSING

4 41-3951. Definitions

5 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6 1. "DEPARTMENT" MEANS THE ARIZONA DEPARTMENT OF HOUSING.

7 2. "DIRECTOR" MEANS THE DIRECTOR OF THE ARIZONA DEPARTMENT OF HOUSING.

8 3. "LOW AND MODERATE INCOME" MEANS HOUSEHOLD INCOME THAT IS
9 INSUFFICIENT TO SECURE DECENT, SAFE AND SANITARY HOUSING PROVIDED BY PRIVATE
10 INDUSTRY WITHOUT SUBSIDIZED FINANCING AND THAT IS BELOW RESPECTIVE INCOME
11 LIMITS ESTABLISHED BY THE DEPARTMENT, TAKING INTO CONSIDERATION SUCH FACTORS
12 AS:

13 (a) THE TOTAL INCOME OF THE HOUSEHOLD AVAILABLE FOR HOUSING NEEDS.

14 (b) THE SIZE OF THE HOUSEHOLD.

15 (c) THE COST AND CONDITION OF AVAILABLE HOUSING FACILITIES.

16 (d) THE ABILITY TO OBTAIN HOUSING FOR THE HOUSEHOLD IN THE PRIVATE
17 HOUSING MARKET AND TO PAY THE AMOUNTS AT WHICH PRIVATE ENTERPRISE IS
18 PROVIDING DECENT, SAFE AND SANITARY HOUSING.

19 (e) THE STANDARDS ESTABLISHED BY VARIOUS PROGRAMS OF THE FEDERAL
20 GOVERNMENT FOR DETERMINING ELIGIBILITY BASED ON HOUSEHOLD OR FAMILY INCOME.

21 41-3952. Arizona department of housing; director

22 A. THE ARIZONA DEPARTMENT OF HOUSING IS ESTABLISHED.

23 B. THE GOVERNOR SHALL APPOINT THE DIRECTOR PURSUANT TO SECTION 38-211.
24 THE TERM OF THE DIRECTOR IS FIVE YEARS AND EXPIRES ON THE THIRD MONDAY IN
25 JANUARY OF THE APPROPRIATE YEAR, EXCEPT THAT THE GOVERNOR MAY REMOVE THE
26 DIRECTOR FOR CAUSE. ON EXPIRATION OF THE DIRECTOR'S TERM, THE GOVERNOR MAY
27 REAPPOINT THE DIRECTOR FOR ANOTHER TERM.

28 C. THE DIRECTOR SHALL ADMINISTER THE DEPARTMENT.

29 D. THE DIRECTOR AND SUCH OTHER EMPLOYEES AS THE DIRECTOR DETERMINES
30 ARE ENTITLED TO RECEIVE COMPENSATION AS DETERMINED UNDER SECTION 38-611.

31 E. THE DIRECTOR SHALL APPOINT A DEPUTY DIRECTOR AND, SUBJECT TO
32 LEGISLATIVE APPROPRIATION, MAY APPOINT ASSISTANT DIRECTORS AS THE DIRECTOR
33 DEEMS APPROPRIATE.

34 F. THE DIRECTOR SHALL EMPLOY, DETERMINE THE CONDITIONS OF EMPLOYMENT
35 AND SPECIFY THE DUTIES OF ADMINISTRATIVE, SECRETARIAL AND CLERICAL EMPLOYEES
36 THE DIRECTOR DEEMS NECESSARY.

37 G. THE DIRECTOR MAY ORGANIZE THE DEPARTMENT INTO DIVISIONS THE
38 DIRECTOR DEEMS APPROPRIATE.

39 41-3953. Department powers and duties

40 A. THE DEPARTMENT IS RESPONSIBLE FOR ESTABLISHING POLICIES, PROCEDURES
41 AND PROGRAMS THAT THE DEPARTMENT IS AUTHORIZED TO CONDUCT TO ADDRESS THE
42 AFFORDABLE HOUSING ISSUES CONFRONTING THIS STATE, INCLUDING HOUSING ISSUES
43 OF LOW INCOME FAMILIES, MODERATE INCOME FAMILIES, HOUSING AFFORDABILITY,
44 SPECIAL NEEDS POPULATIONS AND DECAYING HOUSING STOCK. AMONG OTHER THINGS,
45 THE DEPARTMENT SHALL PROVIDE TO QUALIFIED HOUSING PARTICIPANTS AND POLITICAL

1 SUBDIVISIONS OF THIS STATE FINANCIAL, ADVISORY, CONSULTATIVE, PLANNING,
2 TRAINING AND EDUCATIONAL ASSISTANCE FOR THE DEVELOPMENT OF SAFE, DECENT AND
3 AFFORDABLE HOUSING, INCLUDING HOUSING FOR LOW AND MODERATE INCOME HOUSEHOLDS.

4 B. UNDER THE DIRECTION OF THE DIRECTOR, THE DEPARTMENT SHALL:

5 1. ESTABLISH GUIDELINES APPLICABLE TO THE PROGRAMS AND ACTIVITIES OF
6 THE DEPARTMENT FOR THE CONSTRUCTION AND FINANCING OF AFFORDABLE HOUSING AND
7 HOUSING FOR LOW AND MODERATE INCOME HOUSEHOLDS IN THIS STATE. THESE
8 GUIDELINES SHALL MEET OR EXCEED ALL APPLICABLE STATE OR LOCAL BUILDING AND
9 HEALTH AND SAFETY CODE REQUIREMENTS AND, IF APPLICABLE, THE NATIONAL
10 MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974 AND TITLE VI
11 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 (P.L. 93-383, AS AMENDED
12 BY P.L. 95-128, 96-153 AND 96-339).

13 2. PROVIDE STAFF SUPPORT TO THE ARIZONA HOUSING COMMISSION AND
14 COORDINATE ITS ACTIVITIES.

15 3. ACCEPT AND ALLOCATE ANY MONIES AS FROM TIME TO TIME MAY BE
16 APPROPRIATED BY THE LEGISLATURE FOR THE PURPOSES SET FORTH IN THIS ARTICLE.

17 4. PERFORM OTHER DUTIES NECESSARY TO ADMINISTER THIS CHAPTER.

18 5. PERFORM THE DUTIES PRESCRIBED IN SECTIONS 35-726, 35-728 AND 35-913
19 AND CHAPTER 4.3 OF THIS TITLE.

20 6. STIMULATE AND ENCOURAGE ALL LOCAL, STATE, REGIONAL AND FEDERAL
21 GOVERNMENTAL AGENCIES AND ALL PRIVATE PERSONS AND ENTERPRISES THAT HAVE
22 SIMILAR AND RELATED OBJECTIVES AND PURPOSES, COOPERATE WITH THE AGENCIES,
23 PERSONS AND ENTERPRISES AND CORRELATE DEPARTMENT PLANS, PROGRAMS AND
24 OPERATIONS WITH THOSE OF THE AGENCIES, PERSONS AND ENTERPRISES.

25 7. CONDUCT RESEARCH ON ITS OWN INITIATIVE OR AT THE REQUEST OF THE
26 GOVERNOR, THE LEGISLATURE OR STATE OR LOCAL AGENCIES PERTAINING TO ANY
27 DEPARTMENT OBJECTIVES.

28 8. PROVIDE INFORMATION AND ADVICE ON REQUEST OF ANY LOCAL, STATE OR
29 FEDERAL AGENCIES, PRIVATE PERSONS AND BUSINESS ENTERPRISES ON MATTERS WITHIN
30 THE SCOPE OF DEPARTMENT ACTIVITIES.

31 9. CONSULT WITH AND MAKE RECOMMENDATIONS TO THE GOVERNOR AND THE
32 LEGISLATURE ON ALL MATTERS CONCERNING DEPARTMENT OBJECTIVES.

33 10. MAKE ANNUAL REPORTS TO THE GOVERNOR AND THE LEGISLATURE ON ITS
34 ACTIVITIES, INCLUDING THE GEOGRAPHIC LOCATION OF ITS ACTIVITIES, ITS FINANCES
35 AND THE SCOPE OF ITS OPERATIONS.

36 C. UNDER THE DIRECTION OF THE DIRECTOR, THE DEPARTMENT MAY:

37 1. ASSIST IN SECURING CONSTRUCTION AND MORTGAGE FINANCING FROM PUBLIC
38 AND PRIVATE SECTOR SOURCES.

39 2. ASSIST MORTGAGE FINANCING PROGRAMS ESTABLISHED BY INDUSTRIAL
40 DEVELOPMENT AUTHORITIES AND POLITICAL SUBDIVISIONS OF THIS STATE.

1 3. ASSIST IN THE ACQUISITION AND USE OF FEDERAL HOUSING ASSISTANCE
2 PROGRAMS PERTINENT TO ENHANCE THE ECONOMIC FEASIBILITY OF A PROPOSED
3 RESIDENTIAL DEVELOPMENT.

4 4. ASSIST IN THE COMPLIANCE OF A PROPOSED RESIDENTIAL DEVELOPMENT WITH
5 APPLICABLE FEDERAL, STATE AND LOCAL CODES AND ORDINANCES.

6 5. PREPARE AND PUBLISH PLANNING AND DEVELOPMENT GUIDELINES FOR THE
7 ESTABLISHMENT AND DELIVERY OF HOUSING ASSISTANCE PROGRAMS.

8 6. CONTRACT WITH A FEDERAL AGENCY TO CARRY OUT FINANCIAL WORK ON THE
9 FEDERAL AGENCY'S BEHALF AND ACCEPT PAYMENT FOR THE WORK.

10 7. SUBCONTRACT FOR THE FINANCIAL WORK PRESCRIBED IN PARAGRAPH 6 OF
11 THIS SUBSECTION AND MAKE PAYMENTS FOR THAT SUBCONTRACTED WORK BASED ON THE
12 EXPECTATION THAT THE FEDERAL AGENCY WILL PAY FOR THAT WORK.

13 8. ACCEPT PAYMENT FROM A FEDERAL AGENCY FOR WORK PRESCRIBED IN
14 PARAGRAPH 6 OF THIS SUBSECTION AND DEPOSIT THOSE PAYMENTS IN THE ARIZONA
15 DEPARTMENT OF HOUSING PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

16 9. CONTRACT FOR THE SERVICES OF OUTSIDE ADVISERS, CONSULTANTS AND
17 AIDES REASONABLY NECESSARY OR DESIRABLE TO ENABLE THE DEPARTMENT TO
18 ADEQUATELY PERFORM ITS DUTIES.

19 10. CONTRACT AND INCUR OBLIGATIONS REASONABLY NECESSARY OR DESIRABLE
20 WITHIN THE GENERAL SCOPE OF DEPARTMENT ACTIVITIES AND OPERATIONS TO ENABLE
21 THE DEPARTMENT TO ADEQUATELY PERFORM ITS DUTIES.

22 11. USE ANY MEDIA OF COMMUNICATION, PUBLICATION AND EXHIBITION IN THE
23 DISSEMINATION OF INFORMATION, ADVERTISING AND PUBLICITY IN ANY FIELD OF ITS
24 PURPOSES, OBJECTIVES OR DUTIES.

25 12. ADOPT RULES DEEMED NECESSARY OR DESIRABLE TO GOVERN ITS PROCEDURES
26 AND BUSINESS.

27 13. CONTRACT WITH OTHER AGENCIES IN FURTHERANCE OF ANY DEPARTMENT
28 PROGRAM.

29 14. USE MONIES, FACILITIES OR SERVICES TO PROVIDE CONTRIBUTIONS UNDER
30 FEDERAL OR OTHER PROGRAMS THAT FURTHER THE OBJECTIVES AND PROGRAMS OF THE
31 DEPARTMENT.

32 15. ACCEPT GIFTS, GRANTS, MATCHING MONIES OR DIRECT PAYMENTS FROM
33 PUBLIC OR PRIVATE AGENCIES OR PRIVATE PERSONS AND ENTERPRISES FOR THE CONDUCT
34 OF PROGRAMS THAT ARE CONSISTENT WITH THE GENERAL PURPOSES AND OBJECTIVES OF
35 THIS ARTICLE AND DEPOSIT THESE MONIES IN THE ARIZONA DEPARTMENT OF HOUSING
36 PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

37 16. ESTABLISH AND COLLECT FEES AND RECEIVE REIMBURSEMENT OF COSTS IN
38 CONNECTION WITH ANY PROGRAMS OR DUTIES PERFORMED BY THE DEPARTMENT AND
39 DEPOSIT THE FEES AND COST REIMBURSEMENTS IN THE ARIZONA DEPARTMENT OF HOUSING
40 PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

41 17. PROVIDE STAFF SUPPORT TO THE ARIZONA HOUSING FINANCE AUTHORITY AND
42 COORDINATE ITS ACTIVITIES.

43 D. FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT IS EXEMPT FROM
44 CHAPTER 23 OF THIS TITLE.

1 E. THE DEPARTMENT IS THE DESIGNATED STATE PUBLIC HOUSING AGENCY AS
2 DEFINED IN THE UNITED STATES HOUSING ACT OF 1937 (42 UNITED STATES CODE
3 SECTIONS 1401 THROUGH 1440) FOR THE PURPOSE OF ACCEPTING FEDERAL HOUSING
4 ASSISTANCE MONIES AND MAY PARTICIPATE IN THE HOUSING ASSISTANCE PAYMENTS
5 PROGRAM. FEDERAL MONIES MAY BE SECURED FOR ALL AREAS OF THIS STATE SUBJECT
6 ONLY TO THE LIMITATIONS PRESCRIBED IN SUBSECTION F OF THIS SECTION.

7 F. FOR AREAS OF THIS STATE WHERE AN EXISTING PUBLIC HOUSING AUTHORITY
8 HAS NOT BEEN ESTABLISHED PURSUANT TO SECTION 36-1404, SUBSECTION A, THE
9 DEPARTMENT ACTING AS A PUBLIC HOUSING AGENCY MAY UNDERTAKE ALL ACTIVITIES
10 UNDER THE SECTION 8 TENANT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM,
11 EXCEPT THAT THE DEPARTMENT SHALL NOT UNDERTAKE A SECTION 8 TENANT-BASED
12 RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM WITHIN THE BOUNDARIES OF A CITY,
13 TOWN OR COUNTY UNLESS AUTHORIZED BY RESOLUTION OF THE GOVERNING BODY OF THE
14 CITY, TOWN OR COUNTY. IF THE DEPARTMENT ACCEPTS MONIES FOR A SECTION 8
15 TENANT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM FOR AREAS OF THIS
16 STATE WHERE AN EXISTING PUBLIC HOUSING AUTHORITY HAS BEEN ESTABLISHED
17 PURSUANT TO SECTION 36-1404, SUBSECTION A, THE DEPARTMENT SHALL ONLY ACCEPT
18 AND SECURE FEDERAL MONIES TO PROVIDE HOUSING FOR THE SERIOUSLY MENTALLY ILL
19 OR OTHER DISABLED POPULATIONS. THE DEPARTMENT MAY ACCEPT AND SECURE FEDERAL
20 MONIES FOR UNDERTAKING ALL CONTRACT ADMINISTRATOR ACTIVITIES AUTHORIZED UNDER
21 A SECTION 8 PROJECT-BASED RENTAL HOUSING ASSISTANCE PAYMENT PROGRAM IN ALL
22 AREAS OF THIS STATE AND THIS PARTICIPATION DOES NOT REQUIRE THE AUTHORIZATION
23 OF ANY LOCAL GOVERNING BODY.

24 G. THE DEPARTMENT SHALL NOT ITSELF DIRECTLY OWN, CONSTRUCT, OPERATE
25 OR REHABILITATE ANY HOUSING UNITS, EXCEPT AS MAY BE NECESSARY TO PROTECT THE
26 DEPARTMENT'S COLLATERAL OR SECURITY INTEREST ARISING OUT OF ANY DEPARTMENT
27 PROGRAMS.

28 H. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE DEPARTMENT
29 MAY OBLIGATE MONIES AS LOANS OR GRANTS APPLICABLE TO PROGRAMS AND ACTIVITIES
30 OF THE DEPARTMENT FOR THE PURPOSE OF PROVIDING HOUSING OPPORTUNITIES FOR LOW
31 OR MODERATE INCOME HOUSEHOLDS OR FOR HOUSING AFFORDABILITY OR TO PREVENT OR
32 COMBAT DECAYING HOUSING STOCK. UNLESS OTHERWISE REQUIRED BY FEDERAL OR STATE
33 LAW, ANY LOAN REPAYMENTS SHALL BE DEPOSITED IN THE ARIZONA DEPARTMENT OF
34 HOUSING PROGRAM FUND ESTABLISHED BY SECTION 41-3957.

35 I. FOR ACTIVITIES AUTHORIZED IN SUBSECTION C, PARAGRAPHS 1, 2, 3, 6
36 AND 15 AND SUBSECTIONS E AND F OF THIS SECTION, EXCEPT FOR CONTRACT
37 ADMINISTRATION ACTIVITIES IN CONNECTION WITH THE PROJECT-BASED SECTION 8
38 PROGRAM, THE DEPARTMENT SHALL NOTIFY A CITY, TOWN, COUNTY OR TRIBAL
39 GOVERNMENT THAT A PROGRAM OR PROJECT IS PLANNED FOR ITS JURISDICTION AND,
40 BEFORE PROCEEDING, SHALL SEEK COMMENT FROM THE GOVERNING BODY OF THE CITY,
41 TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN OFFICIAL AUTHORIZED BY THE GOVERNING
42 BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT. THE DEPARTMENT SHALL
43 NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE THE LOCAL JURISDICTION'S PLANNING,
44 ZONING OR LAND USE REGULATIONS.

1 41-3954. Arizona housing commission; definitions
2 A. AN ARIZONA HOUSING COMMISSION IS ESTABLISHED CONSISTING OF:
3 1. THE FOLLOWING MEMBERS WHO ARE APPOINTED BY THE GOVERNOR:
4 (a) ONE REPRESENTATIVE OF A RURAL CITY GOVERNMENT.
5 (b) ONE REPRESENTATIVE OF A NONRURAL CITY GOVERNMENT.
6 (c) ONE REPRESENTATIVE OF A RURAL COUNTY GOVERNMENT.
7 (d) ONE REPRESENTATIVE OF A NONRURAL COUNTY GOVERNMENT.
8 (e) ONE REPRESENTATIVE OF A TRIBAL GOVERNMENT.
9 (f) ONE REPRESENTATIVE OF THE BANKING OR LENDING COMMUNITY.
10 (g) ONE REPRESENTATIVE OF THE SPECIAL NEEDS POPULATION.
11 (h) ONE REPRESENTATIVE OF A STATEWIDE HOUSING ASSOCIATION.
12 (i) TWO REPRESENTATIVES OF THE PRIVATE SECTOR OF THE REAL ESTATE
13 INDUSTRY.
14 (j) THREE REPRESENTATIVES FROM THE PRIVATE SECTOR OF THE HOUSING
15 INDUSTRY, ONE OF WHOM REPRESENTS HOME BUILDERS, ONE OF WHOM REPRESENTS
16 MULTIFAMILY HOUSING DEVELOPERS AND ONE OF WHOM REPRESENTS LICENSED
17 MANUFACTURED HOME MANUFACTURERS OR DEALERS.
18 (k) TWO REPRESENTATIVES OF NONPROFIT ORGANIZATIONS THAT WORK ON
19 HOUSING OR OTHER RELATED ISSUES.
20 (l) TWO REPRESENTATIVES OF THE GENERAL PUBLIC.
21 2. THE DIRECTOR OR THE DIRECTOR'S DESIGNEE.
22 3. THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF
23 THE SENATE OR THEIR DESIGNEES WHO SERVE AS ADVISORY MEMBERS. FOR PURPOSES
24 OF THIS PARAGRAPH, "ADVISORY MEMBERS" MEANS MEMBERS WHO GIVE ADVICE TO OTHER
25 MEMBERS OF THE COMMISSION BUT WHO ARE NOT ELIGIBLE TO VOTE AND ARE NOT
26 MEMBERS FOR THE PURPOSE OF DETERMINING WHETHER A QUORUM IS PRESENT.
27 B. THE COMMISSION SHALL:
28 1. RECOMMEND HOUSING STRATEGIC PLANNING AND POLICY.
29 2. COORDINATE PUBLIC AND PRIVATE HOUSING FINANCE PROGRAMS.
30 3. PROVIDE RECOMMENDATIONS FOR BETTER PRIVATE AND PUBLIC PARTNERSHIPS
31 AND INITIATIVES FOR DEVELOPING HOUSING.
32 4. REVIEW STATE HOUSING PROGRAMS.
33 5. ENCOURAGE THE DEVELOPMENT OF HOUSING OPPORTUNITIES FOR SPECIAL
34 NEEDS POPULATIONS.
35 6. ADVISE THE GOVERNOR, THE LEGISLATURE, STATE AGENCIES AND CITY,
36 COUNTY AND TRIBAL GOVERNMENTAL BODIES ON THE PUBLIC AND PRIVATE ACTIONS THAT
37 AFFECT THE COST OR SUPPLY OF HOUSING.
38 C. THE MEMBERS SHALL ELECT A CHAIRPERSON AND A VICE-CHAIRPERSON
39 ANNUALLY.
40 D. MEMBERS APPOINTED PURSUANT TO SUBSECTION A, PARAGRAPH 1:
41 1. SERVE FOUR YEAR TERMS.
42 2. ARE NOT ELIGIBLE TO RECEIVE COMPENSATION BUT ARE ELIGIBLE TO
43 RECEIVE REIMBURSEMENT FOR EXPENSES PURSUANT TO TITLE 38, CHAPTER 4,
44 ARTICLE 2.

1 E. THE DIRECTOR OF THE ARIZONA DEPARTMENT OF HOUSING SERVES AS
2 EXECUTIVE DIRECTOR OF THE COMMISSION.

3 F. FOR PURPOSES OF THIS SECTION:

4 1. "RURAL CITY" MEANS EITHER:

5 (a) A CITY OR TOWN WITH A POPULATION OF LESS THAN FIFTY THOUSAND
6 PERSONS IN A COUNTY WITH A POPULATION OF LESS THAN FOUR HUNDRED THOUSAND
7 PERSONS.

8 (b) A CITY OR TOWN WITHIN A CENSUS COUNTY DIVISION WITH A POPULATION
9 OF LESS THAN FIFTY THOUSAND PERSONS IN A COUNTY WITH A POPULATION OF FOUR
10 HUNDRED THOUSAND OR MORE PERSONS.

11 2. "RURAL COUNTY" MEANS A COUNTY WITH A POPULATION OF LESS THAN FOUR
12 HUNDRED THOUSAND PERSONS.

13 3. "SPECIAL NEEDS POPULATION" INCLUDES THE HOMELESS, THE SERIOUSLY
14 MENTALLY ILL, THE PHYSICALLY DISABLED, INDIVIDUALS INFECTED WITH THE HUMAN
15 IMMUNODEFICIENCY VIRUS, THE ELDERLY OR OTHER POPULATIONS WITH SPECIALIZED
16 HOUSING NEEDS.

17 41-3955. Housing trust fund; purpose

18 A. THE HOUSING TRUST FUND IS ESTABLISHED, AND THE DIRECTOR SHALL
19 ADMINISTER THE FUND. THE FUND CONSISTS OF MONIES FROM UNCLAIMED PROPERTY
20 DEPOSITED IN THE FUND PURSUANT TO SECTION 44-313 AND INVESTMENT EARNINGS.

21 B. ON NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST
22 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
23 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

24 C. FUND MONIES SHALL BE SPENT ON APPROVAL OF THE DEPARTMENT FOR
25 DEVELOPING PROJECTS AND PROGRAMS CONNECTED WITH PROVIDING HOUSING
26 OPPORTUNITIES FOR LOW AND MODERATE INCOME HOUSEHOLDS AND FOR HOUSING
27 AFFORDABILITY AND ARIZONA HOUSING FINANCE AUTHORITY PROGRAMS. PURSUANT TO
28 SECTION 44-313, SUBSECTION A, A PORTION OF FUND MONIES SHALL BE USED
29 EXCLUSIVELY FOR HOUSING IN RURAL AREAS.

30 D. IN APPROVING THE EXPENDITURE OF MONIES, THE DIRECTOR SHALL GIVE
31 PRIORITY TO FUNDING PROJECTS THAT PROVIDE FOR OPERATING, CONSTRUCTING OR
32 RENOVATING FACILITIES FOR HOUSING FOR LOW INCOME FAMILIES AND THAT PROVIDE
33 HOUSING AND SHELTER TO FAMILIES THAT HAVE CHILDREN.

34 E. THE DIRECTOR SHALL REPORT ANNUALLY TO THE LEGISLATURE ON THE
35 STATUS OF THE HOUSING TRUST FUND. THE REPORT SHALL INCLUDE A SUMMARY OF
36 FACILITIES FOR WHICH FUNDING WAS PROVIDED DURING THE PRECEDING FISCAL YEAR
37 AND SHALL SHOW THE COST AND GEOGRAPHIC LOCATION OF EACH FACILITY AND THE
38 NUMBER OF INDIVIDUALS BENEFITING FROM THE OPERATION, CONSTRUCTION OR
39 RENOVATION OF THE FACILITY. THE REPORT SHALL BE SUBMITTED TO THE PRESIDENT
40 OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES NO LATER THAN
41 SEPTEMBER 1 OF EACH YEAR.

42 F. MONIES IN THE HOUSING TRUST FUND ARE EXEMPT FROM THE PROVISIONS OF
43 SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

44 G. AN AMOUNT NOT TO EXCEED TEN PER CENT OF THE HOUSING TRUST FUND
45 MONIES MAY BE APPROPRIATED ANNUALLY BY THE LEGISLATURE TO THE DEPARTMENT FOR

1 ADMINISTRATIVE COSTS IN PROVIDING SERVICES RELATING TO THE HOUSING TRUST
2 FUND.

3 H. FOR ACTIVITIES AUTHORIZED IN THIS SECTION, THE DEPARTMENT SHALL
4 NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROGRAM OR PROJECT
5 IS PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT
6 FROM THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN
7 OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
8 GOVERNMENT. THE DEPARTMENT SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE
9 THE LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS.

10 41-3956. Housing development fund; purpose

11 A. THE HOUSING DEVELOPMENT FUND IS ESTABLISHED FOR THE PURPOSE OF
12 IMPLEMENTING A HOUSING DEMONSTRATION PROGRAM IN AREAS IN THIS STATE THAT
13 CONTAIN STATE PRISON FACILITIES. THE FUND CONSISTS OF MONIES PROVIDED FROM
14 THE HOUSING TRUST FUND PURSUANT TO SECTION 44-313, SUBSECTION A, PARAGRAPH 2.
15 THE DEPARTMENT SHALL ADMINISTER THE FUND.

16 B. THE DEPARTMENT SHALL ALLOCATE FUND MONIES AS LOANS OR GRANTS FOR
17 THE CONSTRUCTION OR RENOVATION OF FACILITIES FOR HOUSING PURSUANT TO THIS
18 SECTION.

19 C. A PROJECT IS ELIGIBLE TO RECEIVE FUNDING IF THE PROJECT IS WITHIN
20 A TWENTY MILE RADIUS OF AN EXISTING OR FUTURE PRISON SITE. THE COMMUNITIES
21 OF BUCKEYE, DOUGLAS, FLORENCE, SAFFORD, WINSLOW AND YUMA AND OTHER
22 COMMUNITIES THAT ARE SELECTED AS SITES FOR FUTURE PRISON FACILITIES ARE
23 ELIGIBLE TO RECEIVE MONIES PURSUANT TO THIS SECTION.

24 D. THE DEPARTMENT SHALL GIVE PREFERENCE TO PROJECTS WITH LOCAL
25 GOVERNMENT SUPPORT AND COMMITMENTS, INCLUDING LOCAL GENERAL FUNDS, FEE
26 WAIVERS, GOVERNMENT SPONSORED INFRASTRUCTURE IMPROVEMENTS AND LAND DONATIONS,
27 AND TO PROJECTS THAT PROVIDE HOUSING AND SHELTER TO FAMILIES AND INDIVIDUALS
28 WHO ARE EMPLOYED BY STATE PRISON FACILITIES.

29 E. MONIES IN THE FUND SHALL BE USED TO PROVIDE LONG-TERM HOUSING
30 OPPORTUNITIES FOR LOW AND MODERATE INCOME HOUSEHOLDS AND FOR HOUSING
31 AFFORDABILITY FOR AREAS AUTHORIZED UNDER SUBSECTION C OF THIS SECTION.

32 F. FIVE HUNDRED THOUSAND DOLLARS OF THE MONIES IN THE FUND SHALL BE
33 USED FOR HOUSING IN ELIGIBLE AREAS. OTHER MONIES IN THE FUND SHALL BE USED
34 FOR ANY PURPOSE PROVIDED BY THIS SECTION.

35 G. THE DIRECTOR MAY ISSUE LOANS FROM THE FUND TO ASSIST ELIGIBLE
36 COMMUNITIES IN FUNDING HOUSING. THE DIRECTOR MAY ISSUE LOANS PURSUANT TO THE
37 FOLLOWING TERMS AND CONDITIONS:

38 1. THE LOANS SHALL BE MADE ONLY FOR PROJECTS THAT MEET THE
39 REQUIREMENTS OF THIS SECTION AND THAT DEMONSTRATE FINANCIAL VIABILITY.

40 2. THE DIRECTOR MAY ASSESS AN ADMINISTRATIVE FEE ON EACH LOAN TO COVER
41 THE ANNUAL COST TO THIS STATE OF ADMINISTERING THE LOAN PROGRAM.

42 3. EACH LOAN SHALL BE EVIDENCED BY A CONTRACT OR CONTRACTS BETWEEN A
43 POLITICAL SUBDIVISION, A FOR PROFIT OR NONPROFIT HOUSING DEVELOPER AND THE
44 DIRECTOR ACTING ON BEHALF OF THE STATE OR ANY COMBINATION OF A POLITICAL
45 SUBDIVISION, A HOUSING DEVELOPER AND THE DIRECTOR. THE CONTRACT SHALL

1 PROVIDE FOR AT LEAST ANNUAL PAYMENTS OF PRINCIPAL AND MAY PROVIDE FOR PAYMENT
2 OF ADMINISTRATIVE FEES FOR THE TERM OF THE LOAN.

3 4. EACH CONTRACT SHALL PROVIDE THAT THE ATTORNEY GENERAL MAY COMMENCE
4 ANY ACTION THAT IS NECESSARY TO ENFORCE THE CONTRACT AND TO ACHIEVE THE
5 REPAYMENT OF LOANS THAT ARE MADE PURSUANT TO THIS SECTION.

6 H. LOAN PAYMENTS AND ADMINISTRATIVE FEES RECEIVED PURSUANT TO
7 SUBSECTION G OF THIS SECTION SHALL BE DEPOSITED IN THE HOUSING DEVELOPMENT
8 FUND.

9 I. MONIES IN THE FUND MAY ALSO BE SPENT FOR GRANTS OR OTHER PURPOSES
10 THAT MEET THE REQUIREMENTS THAT ARE IMPOSED ON THE USE OF THE MONIES.

11 J. THE DIRECTOR SHALL REPORT ANNUALLY TO THE LEGISLATURE ON THE STATUS
12 OF THE FUND. THE REPORT SHALL INCLUDE A SUMMARY OF FACILITIES FOR WHICH
13 FUNDING WAS PROVIDED DURING THE PRECEDING FISCAL YEAR AND SHALL SHOW THE COST
14 AND GEOGRAPHIC LOCATION OF EACH FACILITY AND THE NUMBER OF INDIVIDUALS WHO
15 BENEFITED FROM THE CONSTRUCTION OR RENOVATION OF THE FACILITY. THE REPORT
16 SHALL BE SUBMITTED TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE
17 HOUSE OF REPRESENTATIVES NO LATER THAN SEPTEMBER 1 OF EACH YEAR.

18 K. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. ON
19 NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST
20 MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM
21 INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND ARE EXEMPT FROM
22 THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

23 L. FOR ACTIVITIES AUTHORIZED IN THIS SECTION, THE DEPARTMENT SHALL
24 NOTIFY A CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT THAT A PROGRAM OR PROJECT
25 IS PLANNED FOR ITS JURISDICTION AND, BEFORE PROCEEDING, SHALL SEEK COMMENT
26 FROM THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL GOVERNMENT OR AN
27 OFFICIAL AUTHORIZED BY THE GOVERNING BODY OF THE CITY, TOWN, COUNTY OR TRIBAL
28 GOVERNMENT. THE DEPARTMENT SHALL NOT INTERFERE WITH OR ATTEMPT TO OVERRIDE
29 THE LOCAL JURISDICTION'S PLANNING, ZONING OR LAND USE REGULATIONS.

30 41-3957. Arizona department of housing program fund; purpose

31 A. THE ARIZONA DEPARTMENT OF HOUSING PROGRAM FUND IS ESTABLISHED, AND
32 THE DEPARTMENT SHALL ADMINISTER THE FUND. THE FUND CONSISTS OF MONIES
33 DEPOSITED PURSUANT TO SECTIONS 35-726, 35-728 AND 41-3953, OTHER MONIES
34 DIRECTED TO BE DEPOSITED IN THE FUND AND INVESTMENT EARNINGS ON MONIES IN THE
35 FUND. ON NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND
36 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED
37 FROM INVESTMENT SHALL BE CREDITED TO THE FUND. ALL MONIES IN THE FUND ARE
38 DESIGNATED AS SPECIAL STATE FUNDS FOR ALL PURPOSES OF SECTION 35-142.

39 B. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE DEPARTMENT
40 SHALL USE MONIES IN THE FUND:

41 1. TO PAY THE COSTS OF ADMINISTERING THE PROGRAMS FROM WHICH THE
42 DEPOSITS ARE RECEIVED AND FOR OTHER DEPARTMENT PROGRAMS.

43 2. AT THE DIRECTOR'S ELECTION, TO IRREVOCABLY TRANSFER TO AND DEPOSIT
44 IN ANY FUND ESTABLISHED BY THE ARIZONA HOUSING FINANCE AUTHORITY IN

1 CONNECTION WITH ANY BONDS OR CERTIFICATES ISSUED BY OR ANY OTHER PROGRAM OF
2 THE ARIZONA HOUSING FINANCE AUTHORITY.

3 C. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
4 RELATING TO LAPSING OF APPROPRIATIONS.

5 Sec. 15. Section 44-313, Arizona Revised Statutes, is amended to read:

6 44-313. Deposit of monies; definition

7 A. Except as otherwise provided in this section or section 44-314, the
8 department shall transmit DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147,
9 all monies received pursuant to this chapter, including the proceeds from the
10 sale of abandoned property pursuant to section 44-312, ~~to the state treasurer~~
11 ~~for deposit in the state general fund~~, and the state treasurer shall
12 transfer:

13 1. Thirty-five per cent of the monies to the housing trust fund
14 established by section ~~41-1512~~ 41-3955.

15 2. Twenty per cent of the monies to the housing trust fund established
16 by section ~~41-1512~~ 41-3955. These monies shall be used exclusively for the
17 development of eligible and viable affordable housing in rural areas and for
18 the purposes authorized under the housing development fund established by
19 section ~~41-1518~~ 41-3956.

20 3. Twenty per cent of the monies to the funds in the amounts provided
21 in section 5-113, subsection A.

22 B. The department shall deposit monies from unclaimed shares and
23 dividends of any corporation incorporated under the laws of this state in the
24 permanent state school fund pursuant to article XI, section 8, Constitution
25 of Arizona.

26 C. The department shall retain in a separate trust fund at least one
27 hundred thousand dollars from which the department shall pay claims.

28 D. Before making the deposit, the department shall record the name and
29 last known address of each person who appears from the holders' reports to
30 be entitled to the property and the name and last known address of each
31 insured person or annuitant and beneficiary. The department shall also
32 record the policy or contract number of each policy or contract of an
33 insurance company that is listed in the report, the name of the company and
34 the amount due. The department shall make the record available for public
35 inspection during reasonable business hours.

36 E. Before making any deposit to the credit of the state general fund,
37 the department may deduct, subject to legislative appropriation,
38 administrative expenses in the following order of priority:

39 1. Any costs in connection with the sale of abandoned property.

40 2. Costs of mailing and publication in connection with any abandoned
41 property.

42 3. Reasonable department service charges.

43 4. Costs incurred in examining records of holders of property and in
44 collecting the property from those holders.

45 5. Lawful holder charges.

1 F. The department shall deposit monies received pursuant to section
2 35-187 in the homeless trust fund as provided in section 41-2021 in an amount
3 of not more than one million dollars. The department shall deposit monies
4 in excess of one million dollars pursuant to the distribution described in
5 subsections A and B of this section. Before making any deposit in the
6 homeless trust fund, the department shall deduct any amounts related to owner
7 claims and interest payments.

8 G. For the purposes of this section, "rural area" means either:

9 1. A county with a population of less than four hundred thousand
10 persons.

11 2. A census county division with less than fifty thousand persons in
12 a county with a population of four hundred thousand or more persons.

13 Sec. 16. Section 44-314, Arizona Revised Statutes, is amended to read:

14 44-314. Federal deposit insurance corporation trust fund;
15 temporary custody; interest

16 A. The federal deposit insurance corporation trust fund is established
17 consisting of monies the department receives from the federal deposit
18 insurance corporation under the unclaimed deposits amendments act of 1993
19 (P.L. 103-44; 107 Stat. 220; 12 United States Code section 1822(e)). The
20 department shall administer the fund. Monies in the fund are continuously
21 appropriated.

22 B. If the monies deposited in the federal deposit insurance
23 corporation trust fund are not claimed by the owner within ten years after
24 being surrendered to the department, the department shall return the monies
25 to the federal deposit insurance corporation.

26 C. This state retains all interest earned on the monies in the federal
27 deposit insurance corporation trust fund. The state treasurer shall deposit
28 the interest earned on the monies in the federal deposit insurance
29 corporation trust fund as follows:

30 1. Sixty-five per cent in the state general fund.

31 2. Thirty-five per cent in the housing trust fund established by
32 section ~~41-1512~~ 41-3955.

33 Sec. 17. Laws 1999, chapter 262, section 23, as amended by Laws 2000,
34 chapter 207, section 1, is amended to read:

35 Sec. 23. Delayed repeal

36 A. Section 41-1292.01, Arizona Revised Statutes, relating to the joint
37 legislative oversight committee on the tobacco tax and health care fund, is
38 repealed from and after December 31, 1999.

39 B. Section 41-1292.03, Arizona Revised Statutes, relating to the joint
40 legislative review committee on transportation between Sonora, Mexico and
41 Arizona, is repealed from and after December 31, 2003.

42 ~~C. Section 41-1505.11, Arizona Revised Statutes, relating to the~~
43 ~~Arizona housing commission, is repealed from and after December 31, 2005.~~

1 D. C. Section 41-1507, Arizona Revised Statutes, relating to the
2 rural business incubator advisory board, is repealed from and after December
3 31, 2005.

4 Sec. 18. Purpose

5 Pursuant to section 41-2955, subsection E, Arizona Revised Statutes,
6 the legislature establishes the Arizona department of housing to assist in
7 alleviating the following conditions:

8 1. The shortage of safe, sanitary and affordable dwelling
9 accommodations.

10 2. The use of excessive and unnecessary amounts of energy for heating,
11 cooling and other home uses due to inadequate insulation or the absence of
12 other design features that reduce home energy requirements.

13 3. Deteriorating neighborhoods.

14 4. The high cost of construction loans, home mortgage interest costs
15 and rents for families of low and moderate income and for housing
16 affordability.

17 Sec. 19. Transfer of powers; monies; effect

18 A. All matters, including contracts, orders and judicial or
19 quasi-judicial actions, whether completed or pending, of the department of
20 commerce office of housing development are transferred on January 1, 2002 and
21 maintain the same status with the office of housing development in the
22 governor's office.

23 B. Rules adopted by the department of commerce relating to the
24 functions transferred by this act are effective until superseded by rules
25 adopted by the office of housing development in the governor's office.

26 C. All personnel, property and records, all data, all appropriated
27 monies remaining unspent and unencumbered for fiscal years 2001-2002 and
28 2002-2003 of the department of commerce relating to the functions transferred
29 by this act and all monies in the housing fees account are transferred on
30 January 1, 2002, to the office of housing development in the governor's
31 office and may be used for the purposes of this act.

32 D. All matters, including contracts, orders and judicial or
33 quasi-judicial actions, whether completed or pending, of the office of
34 housing development in the governor's office are transferred on October 1,
35 2002 and maintain the same status with the Arizona department of housing.

36 E. Rules adopted by the office of housing development in the
37 governor's office relating to the functions transferred by this act are
38 effective until superseded by rules adopted by the Arizona department of
39 housing.

40 F. All personnel, property and records, all data and all appropriated
41 monies remaining unspent and unencumbered for fiscal year 2002-2003 of the
42 office of housing development in the governor's office relating to the
43 functions transferred by this act are transferred on October 1, 2002 to the
44 Arizona department of housing and may be used for the purposes of this act.

45 G. On October 1, 2002:

1. All monies in the housing trust fund established by section 41-1512, Arizona Revised Statutes, as repealed by this act, are transferred to the housing trust fund established by section 41-3955, Arizona Revised Statutes, as added by this act.

2. All monies in the housing development fund established by section 41-1518, Arizona Revised Statutes, as repealed by this act, are transferred to the housing development fund established by section 41-3956, Arizona Revised Statutes, as added by this act.

3. All monies in the housing fees account are transferred to the Arizona department of housing program fund established by section 41-3957, Arizona Revised Statutes, as added by this act.

Sec. 20. Retention of members

All persons serving as members of the Arizona housing commission, established by section 41-1505.11, Arizona Revised Statutes, as repealed by this act, on September 30, 2002 may continue to serve on the Arizona housing commission established by section 41-3954, Arizona Revised Statutes, as added by this act, until the expiration of their normal terms.

Sec. 21. Initial terms of members of the Arizona housing finance authority board of directors

A. Notwithstanding section 41-3903, Arizona Revised Statutes, as added by this act, the initial terms of members are:

1. One term ending on the third Monday in January, 2003.
2. One term ending on the third Monday in January, 2004.
3. One term ending on the third Monday in January, 2005.
4. One term ending on the third Monday in January, 2006.
5. One term ending on the third Monday in January, 2007.
6. One term ending on the third Monday in January, 2008.
7. One term ending on the third Monday in January, 2009.

B. The governor shall make all subsequent appointments as prescribed by statute.

Sec. 22. Effective date

A. The following are effective from and after December 31, 2001:

1. Sections 35-726, 35-728, 35-729, 35-913, 41-885, 41-1505, 41-1505.11, 41-1512 and 41-1518, Arizona Revised Statutes, as amended by this act.

2. Title 41, chapter 37, Arizona Revised Statutes, as added by this act.

B. The following are effective from and after September 30, 2002:

1. Sections 41-3907, 44-313 and 44-314, Arizona Revised Statutes, as amended by this act.

2. Title 41, chapter 37, article 2, Arizona Revised Statutes, as added by this act.

APPROVED BY THE GOVERNOR MARCH 26, 2001.

APPROVED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 26, 2001.

Passed the House March 14, 2001,

by the following vote: 42 Ayes,

12 Nays, 5 Not Voting
1 Excused

[Signature]
Speaker of the House

Norman L. Moore
Chief Clerk of the House

Passed the Senate March 21, 2001,

by the following vote: 19 Ayes,

9 Nays, 2 Not Voting

[Signature]
President of the Senate

Channing Dillington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

21 day of March, 2001,

at 5:00 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 26 day of

March, 2001,

at 11:45 o'clock A M.

[Signature]
Governor of Arizona

H.B. 2615

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 26 day of March, 2001,

at 4:10 o'clock P M.

[Signature]
Secretary of State